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ALASKA HIGHWAY PIPELINE INQUIRY

IN THE MATTER OF AN APPLICATION BY FOOTHILLS PIPE LINES  
(YUKON) LTD. TO THE MINISTER OF INDIAN AFFAIRS AND  
NORTHERN DEVELOPMENT FOR A GRANT OF THOSE INTERESTS IN  
THOSE AREAS OF TERRITORIAL LANDS IN THE YUKON TERRITORY  
AS MAY BE NECESSARY FOR THE CONSTRUCTION AND OPERATION  
OF THE SAID NATURAL GAS PIPELINE AND THE WORKS AND  
FACILITIES CONNECTED THEREWITH AND INCIDENTAL THERETO,

AND

IN THE MATTER OF A BOARD OF INQUIRY ON THE SOCIO-ECONOMIC  
ASPECTS OF AN ALASKA HIGHWAY GAS PIPELINE.

BEFORE THE BOARD

K.M. LYSYK, Esq., Q.C.

CHAIRMAN

WILLARD PHELPS, Esq

MEMBER

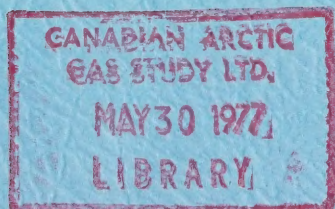
MRS EDITH BOHMER

MEMBER

PROCEEDINGS

VOLUME 7

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Vol. 7



WHITEHORSE, Y.T.  
MAY 18, 1977  
COMMUNITY HEARING



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Vol. 7



May 18, 1977

Community Hearings

Upon commencing at 7:00 p.m.

MR. CHAIRMAN: Ladies and gentlemen.

I would like now to open this hearing, the first of our community hearings, on the Alaska Highway Pipeline proposal. Let me begin by introducing the members of the Board of Inquiry. My name is Ken Lysyk, and my colleagues are Edith Bohmer and Willard Phelps. They are both Yukoners, and, of course, it's a great advantage to have the benefit of the knowledge and personal experience that they bring concerning the Yukon and its people.

As you will know, the Government of Canada proposes to make a decision the decision concerning what pipeline route, if any, it will approve to move gas from the Arctic through Canada to the United States. The Government has stated that it proposes to make its decision, in principle, in August.

This Inquiry was established to add to the information available to the Government to assist it in making its decision. In keeping with the timetable that the Government has set for itself, we have been directed to submit our report to the Minister of Indian Affairs and Northern Development by August 1st.

And we are aware that some feel that the Government should not attempt to make its decision in principle so soon. They feel that more extensive studies than can be completed by August are desirable before that decision is made.



1                   However, many agree with the view  
2   that has been expressed by members of the Government to the  
3   effect that Canada should reach a decision on the basis of  
4   the best information available before the United States makes  
5   its own decision, which it proposes to do this fall, on whether  
6   it will opt for the so-called all American or El Paso  
7   route, rather than one or the other possible routes through  
8   Canada.

9                   The task that has been assigned to  
10   this Inquiry is to provide the Government of Canada with  
11   some information which might assist it in making that decision  
12   in principle, in August.

13                  With respect to the information  
14   we are to provide, I might remind you that our terms of  
15   reference direct us to prepare a preliminary report on the  
16   social and economic impact of such a pipeline. It will be  
17   preliminary in the sense the Minister have made it clear  
18   that if the Alaska Highway application does receive appro-  
19   val in principle in August, then the Government will es-  
20   tablish a further Inquiry for the purpose of producing a  
21   final statement on social and economic impacts and to assist  
22   the Government in developing terms and conditions for the  
23   consturction and operation of a pipeline.

24                  One of our task, according our  
25   terms of reference, is to advise on the arrangement for such  
26   further Inquiry. Of course, no one suggests that all the



1 relevant information and research can be completed, information  
2 can be assembled and research completed, by the time our own  
3 Board of Inquiry concludes its work.

4 Another thing, we are directed  
5 by terms of reference to do, is to identify areas in which  
6 additional information should be provided by the proponent;  
7 by the Foothills Pipeline Company, and also to identify the  
8 /in which areas further studies may be required.

9 In brief, this Inquiry represents  
10 the first stage of the two-stage process. With the second  
11 stage commencing if and when the Government of Canada makes  
12 a decision in principle to approve the Alaska Highway route.  
13 Our role is to provide the best information and advice we  
14 can to assist in the first stage of that decision making  
15 process, and to provide advice on how the second stage should  
16 be conducted.

17 In that connection, one more thing  
18 we are to do, and perhaps, it's our most important task, is  
19 to report on what we have learned about the attitudes of  
20 Yukoners, about your attitudes, to this pipeline proposal.  
21 That is what the community hearings are all about. We have  
22 scheduled hearing in almost all of the communities on Yukon,  
23 17 in all. This is the first in a series of community  
24 hearings, and I'd like to thank you in advance for coming  
25 out to give us the benefit of your views this evening.  
26



1 I am now going to  
2 ask the representative of Foothills Pipelines to speak to  
3 you for a few minutes to give you a general and very brief  
4 description of their proposal. That is Mr. John Burrell,  
5 Vice President of Foothills and with him is Mr. Leo Bouckhout  
6 and they will then be available to answer your questions.

7 As soon as Mr. Burrell has completed  
8 his presentation, I'll invite those present, anyone who  
9 wishes to do so, to come forward to state their views or  
10 ask any question they wish of the Foothills representatives.

11 As a record is being kept of every-  
12 thing that is said, I'll ask you to come forward to the  
13 table here with the microphone to make your statement or to  
14 ask your question or if you're simply asking a question, you  
15 may prefer to do that from the floor mike.

16 We will ask the witnesses making  
17 a statement be sworn or affirmed consistent with the procedures  
18 that we followed at the formal hearings of the inquiry, so  
19 at this point if I may, I'd ask Mr. Burrell to commence with  
20 the Foothills presentation.

21 J. BURRELL, Resumed.  
22 MR. BURRELL: Ladies and gentle-  
23 men, thank you very much for the opportunity to make this  
24 presentation.

25 I wonder if we could have the  
26 lights dimmed a little bit so we can see the  
slides.



Burrell  
In Chief

1139.

1 Foothills Pipeline Yukon Limited  
2 is a one hundred per cent owned subsidiary of  
3 Foothills Pipelines Limited, which is the  
4 company that proposed the Maple Leaf project in the Mackenzie  
5 Valley. The Foothills Pipelines Limited is 70 per cent owned  
6 by Alberta Gas Trunkline and 30 per cent owned by Westcoast  
7 Transmission, two of the largest Canadian pipeline companies.

8 Foothills Pipeline Yukon Limited of  
9 course is the company which is proposing to build a Yukon  
10 portion of the Alaska Highway pipeline project. The cost  
11 for the work in the Yukon <sup>/are</sup> shared equally by these two  
12 companies and of course, Foothills Yukon Limited is a wholly  
13 owned--- Canadian company.

14 Briefly, the project, the  
15 48 inch Alaska Highway gas pipeline project is  
16 to pick up gas at Prudhoe Bay, carry it through a 48 inch  
17 buried pipeline along the routing of Alyeska to Fairbanks  
18 where at that point, it follows the Alaska Highway corridor  
19 through Yukon, through British Columbia, just -- I'm sorry --  
20 to the Yukon, through British Columbia, across into Alberta  
21 to a point just south of -- just north of Calgary at a point  
22 near Caroline where about 29 per cent of the gas volume goes  
23 to the Pacific Northwestern United States and the  
24 balance goes through a system, through to the Saskatchewan/  
25 Alberta border where it is picked up by a line proposed by  
26 Foothills, Saskatchewan where the gas is delivered to a



Burrell  
In Chief

1140.

1 point on the 49th Parallel and the gas is then taken by  
2 another proposed system, northern border system where it is  
3 delivered into the Chicago market area -- it's just at the  
4 bottom of the map here but the line goes over into the  
5 Chicago area.

6 As I said, it's a 48 inch buried  
7 line, the portion in Alaska is to be built by the Alcan  
8 Pipeline Company, the portion in the Yukon is by Foothills  
9 Yukon, the section in British Columbia is by Westcoast and  
10 the section in Alberta is by Alberta Gas Trunk Line.

11 The cost of the project is estimated  
12 at about 7 Billion dollars of which just over 3 is in Alaska  
13 and 1.3 of that is in the Yukon.

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Burrell  
In Chief

1141.

1                   It is proposed that the gas would be  
2 delivered -- the first year deliveries would commence  
3 October 1, 1981, at 1.6 billion cubic feet per day; increasing  
4 to 2.4 billion cubic feet per day January 1, 1983. The system  
5 has a capacity without looping up to 3.4 billion cubic feet  
6 per day.

7                   This is a section in the Yukon. It  
8 shows Milepost 0 at Beaver Creek and Watson Lake which is  
9 here, a distance of about 513 miles. It's proposed to  
10 start construction of this pipeline in 1979 and construct  
11 through '79, '80, and '81. You can see that the sections  
12 of the pipeline are broken up into what we call spreads  
13 and if you can read this table, you will see that this  
14 section 1 which is from Milepost 0 to Milepost 30 is built  
15 in the winter of 1981, and as an example, section 7 over here  
16 would be built in the summer of 1980.

17                   This shows the location of the compressor  
18 stations. There are seven compressor stations in total  
19 required to move the 2.4 billion cubic feet. I hope you  
20 can read this. They are situated at Milepost 40, 122, and  
21 210, 260, which is about 12 miles from Whitehorse, as  
22 proposed, and 359, 423, and about 500, right in here.

23                   This is the estimate of the  
24 construction manpower requirements for the project, you  
25 can see that in 1980 the project peaks at about 2,300 people,  
26 but for a very short period of time.



1                   What we have put in here is some  
2 slides to show you -- to give you an indication of the  
3 steps we go through in the construction of a pipeline.  
4 This is taken, these slides are taken on the prairies,  
5 certainly it is not in the same terrain the trees which  
6 you would have in the Yukon here, but the procedures  
7 that we are showing here are those which would be followed  
8 on our pipeline. This is a clearing operation where you  
9 clear off the topsoil. Generally what is done is the topsoil  
10 is cleared and put to one side, and then the ditch is dug,  
11 and the spoil put on the other side, and then when you  
12 come back to clean up, the ditch is filled in and the top-  
13 soil is put over. Then it is re-seeded.

14                   This is the grading operation where  
15 you tend to level out the right-of-way as best you can so  
16 that you can work your equipment and later lay your pipe.

17                   This is the stockpiling of pipe. This  
18 is the stringing operation where the pipe is picked up at  
19 the stockpile site, taken by truck, and laid along -- strung  
20 along the right-of-way.

21                   When you're building your right-of-way  
22 and you're grading, you can't always keep it flat, you have  
23 some bends in it, and in order to fit the contour of the  
24 right-of-way, we have a bending machine which is a large  
25 hydraulic machine which bends the pipe to fit the shape of  
26 the ditch, say going over a hill or in through a valley.



1                   The line-up procedure, they are  
2 lining the pipe up for welding.

3                   This is the manual welding, the welder  
4 here is joining two sections of pipe together. This is another  
5 method which is used for welding. This is the automatic weld-  
6 ing process.

7                   Here is a tent that is used to weld  
8 during the winter time to keep wind off the welders. This is  
9 a finished weld. When these welds are completed, they are ex-  
10 rayed to see if they meet requirements, code requirements. If  
11 they don't, then they are repaired and then they are exrayed  
12 again to be certian that they meet the requirements of the  
13 code.

14                  This is a ditching machine. It is  
15 a wheel ditch, you can see the ditch through here that is being  
16 dug. See the ditching machine through here in areas where you  
17 run into rock, difficult for the ditching machine to go through,  
18 then you use this back hoe.

19                  This is what a finished ditch looks  
20 like. The next step in the process is to clean the pipe, clean  
21 it so you can go ahead and coat and wrap to protect it from  
22 corrosion.

23                  This is part of the process called the  
24 priming process. This is the coat and wrap. This worker here  
25 is checking to see that there is no flaws in the coating, in the  
26 wrap. If he finds one, then of course, it is repaired and that



1 is what these people are doing, they are doing a hand repair  
2 of a break in the wrapping which they found.

3 These are side boom tractors lifting  
4 the pipe up ready to put it into the ditch. The pipe has been  
5 all welded up in long sections and has been coated and wrapped.

6 This is another picture of the side  
7 booms, lifting the pipe up and putting it into the ditch to  
8 see how flexible the pipe is. These are side boom tractors  
9 again.

10 This is a valve assembly which you put  
11 in at the compressor station locations which enables you to  
12 take gas from the main line into the compressor stations to  
13 be compressed and back into the main line again.

14 This is the back-filling process.  
15 The pipe is in the ditch, as you can see here and they are  
16 back-filling.

17 They are levelling out the right-of  
18 -way and they are here again levelling it off for reseeding.

19 This is a picture of what a right-of  
20 -way would look like in the finished condition and another shot  
21 of the right-of-way. A pipe would be located in here.

22 This is a river crossing. The pipe is  
23 buried underneath the river. The trench is dug and the pipe is  
24 pulled across and then it is covered up again so it is below the  
25 surface of the water. We propose on our pipe line to put all  
26 our pipelines below the bed of the river and of course the



1 depth of the river-- the depth of the crossing depends on how  
2 fast this water is moving and the type of soil in the bed of the  
3 river. All these pipeline crossings receive special engineering  
4 treatment. Of course, the crossing of any river, the timing  
5 of it will be determined, to a great degree, by the Environ-  
6 mental Department which determines when is the appropriate time  
7 to cross the river so it doesn't interfere with fish spawning  
8 and fish migration.

9 You can see the pipeline going up  
10 through here.

11 This is a road crossing. The pipe-  
12 line is in here. There are two markers here noting the location  
13 of the pipeline crossing. Pipelines, when they cross under the  
14 road, you don't open trench the road, you bore across. You bore  
15 the pipe underneath the road so there is no disruption of  
16 traffic.

17 This is a ground shot of a road cross-  
18 ing. This is a marker, a milepost marker which enables the--  
19 We fly the line on regular basis to check for erosion or any  
20 problems along the right-of-way and this is just a marker to let  
21 the pilot and the observer know at what point on the pipeline  
22 that he is crossing.

23 This is a compressor station under  
24 construction. This is the compressor and this is the compressor  
25 foundation.

26 This is an interior shot of the



1 compressor station; this is a compressor. The gas would flow  
2 in here. This is like a large fan and it is driven behind here  
3 it is driven by a gas turbine which is just like the engine  
4 on one of the CP Air jets. The reason the you have to have  
5 a compressor along the line is that as the gas flows in the  
6 pipeline because it loses pressure because of friction between  
7 the gas and the walls of the pipe and you have to keep your  
8 pressure high in your line to have an efficient operation so  
9 at certain spots along the line you put in a compressor  
10 station to recover the pressure which you have lost because of  
11 the friction.



Burrell  
In Chief

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This is an aerial shot of a compressor station. There's a compressor in each of these buildings. In our proposed system we would only require one compressor building and probably this building here.

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In our section of the pipeline, we are proposing to put the head office in Whitehorse, and then we are going to have area offices proposed for Beaver Creek, Haines Junction, Teslin and Watson Lake. We are proposing now that we would have a permanent operations and maintenance staff of about 189 people in the Yukon, of which about 100 would be located in Whitehorse, and 22 in the other communities.

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This is the control centre in Calgary, and it is just typical of the type of building that we would envision building here in Whitehorse.

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This is the control room dispatch area in Calgary, but it would be similar to this in Whitehorse and all the compressor stations on our pipeline would be automatically remotely controlled and this gentleman here can check out each of the compressor stations to see how they are running, what pressure they are operating at, what flow they are experiencing, what gas flow they are experiencing, and also if there is some malfunction in the equipment, a light will light up here and indicate to him



Burrell  
In Chief

1148

1 what the problem is, and he would then get on the phone and  
2 phone to one of the district headquarters and tell the staff  
3 there that there is a problem at one of the compressor  
4 stations and then they would go out and repair it.

5 The compressor stations are set up on  
6 a fail-safe basis so that if any difficulty occurs in the  
7 operation of these stations, then the station automatically  
8 shuts down. For instance, if they sensed a gas leak in a  
9 building, then it would shut down or if one of the valves  
10 were out of position, then the compressor station would  
11 shutdown and it would be indicated on this panel and as I  
12 said this dispatcher would get in contact with the appropriate  
13 people to make the necessary repairs.

14 This is an area office located in  
15 Calgary, but would be very similar to what we would expect  
16 to see in Beaver Creek, Teslin, Haines Junction, or Watson  
17 Lake.

18 MR. CHAIRMAN: Thank you, Mr. Burrell.

19 I'm going, in a moment then, to  
20 extend a general invitation to anyone who wishes to come  
21 forward to ask a question or make a statement, but just  
22 before I do that, I've been advised that there is someone  
23 here, a Mr. Wytinck, who proposes to give a brief, or make  
24 a statement on behalf of the Whitehorse Homebuilder's  
25 Association. I understand he has to leave us early, so I  
26 wonder if I might ask him to come forward now?



DON WYTINCK, Sworn.

1 MR. WYTINCK: My name is Don Wytinck,  
2 I represent the Whitehorse Homebuilder's Association, my  
3 statement will be very brief.

4 Our Association has been considering  
5 the Alcan proposal.

6 MR. CHAIRMAN: Excuse me, Mr. Wytinck,  
7 let's make sure everyone in the hall can hear you all right.  
8 Can you hear at the back?

9 AUDIENCE: No.

10 MR. CHAIRMAN: I wonder if that  
11 microphone is working properly?

12 MR. WYTINCK: My statement will be  
13 very brief.

14 Our Association has been considering  
15 the Alcan proposal. In fact, we have just concluded a  
16 two day conference on the future of the Yukon, and during  
17 the discussion, the pipeline has been frequently considered.

18 We are not in a position -- we wish  
19 your Inquiry to be aware that we support the Alcan proposal.  
20 We are not in a position, presently, to provide you with  
21 a detailed assessment, but with your agreement, we would  
22 like to make our presentation at a later date.

23 Thank you.

24 MR. CHAIRMAN: Thank you, Mr. Wytinck.  
25 That certainly is possible. We will be having a second  
26 round of community hearings a few weeks from now in Whitehorse



1 and they will be advertised and so on. Did you also  
2 propose to make a written submission?

3 MR. WYTINCK: Yes.

4 MR. CHAIRMAN: Fine, so that can be  
5 filed at the time you make the statement, or filed prior  
6 to that and it would be available to -- along with other  
7 submissions, filed with the Inquiry.

8 (WITNESS ASIDE).

9 MR. CHAIRMAN: Thank you. All right  
10 may I now invite anyone else who wishes to come forward to ask  
11 a question of the Foothills representative, or to express  
12 a view or an opinion about the proposed pipeline.

13 We might ask Mr. Burrell. Do you  
14 think there is any other information that would be useful  
15 to mention at the outset concerning the proposal that might  
16 be of interest to the people here?

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L. BOUCKHOUT, Resumed.

1                   MR. BOUCKHOUT:     There is one  
2 point that we might bring up right now that may be of local  
3 interest and that is the pipeline routing into the vicinity  
4 of Whitehorse itself. The current routing is shown on the  
5 maps and there is a map on the side wall -- at a 1 to  
6 250,000 scale indicates a pipeline routing which follows  
7 generally the Alaska Highway up to the Takhini River, north  
8 of Whitehorse, crosses the Takhini and then follows a route  
9 up the Ibex Pass, through the Ibex Pass, past Jackson and  
10 Franklin Lakes behind Whitehorse and back out towards  
11 Johnsons Crossing.

12                   This is our route as proposed,  
13 however, we're aware of some many considerations with any  
14 kind of a pipeline route in the vicinity of a population  
15 center and Whitehorse being no -- nothing different. We  
16 are looking at alternatives in this area. The implications  
17 of a pipeline route of course, in such a developed area as  
18 well as in non-developed areas and I'm speaking now particu-  
19 larly about the vicinity of Whitehorse for this particular  
20 routing. In the Ibex Valley, I'm sure most of you are  
21 familiar with the Ibex Valley, it does support a sheep  
22 population that's on the periphery of a Dall's sheep population  
23 range.

24                   Additionally, there is some  
25 potential for raptor nesting in the area, by raptors I  
26 mean such birds as hawks, eagles, falcons and so on.



1 Peregrine Falcon for instance is a topic that's brought up  
2 fairly frequently in discussions of pipeline routing, since  
3 Peregrine Falcons are rare and endangered species, are dis-  
4 appearing rapidly from the North American continent and  
5 therefore, any impact on the species such as this must be  
6 considered as a fairly weighty matter.

7 Additionally, considerations  
8 relative to the routing deal with such components as land  
9 use as the routing of a pipeline in industrial areas, near  
10 residential areas and so on. Routing of pipelines in  
11 residential and industrial areas are not unique. There are  
12 high pressure gas pipelines routed in cities within city  
13 corridors and cities themselves in south, but in this  
14 context, this is a particular routing that if anyone in the  
15 audience has any comment to make on the -- either the  
16 existing routing or some comments relative to what they  
17 may consider a better alternate, we would very much welcome  
18 public input on this matter.

19  
20  
21 MR. CHAIRMAN: Just so we can  
22 get everything on the transcript, we would appreciate it  
23 if you used the floor mike and I just ask you to identify  
24 yourself if you would please when you start.

25 MS. McCOWAN: Yes, my name is  
26 Jean McCowan. I was able to get some of the literature that



1 was handed out during the past week by the Foothills panel  
2 and a lot of the questions I'd like to have asked when people  
3 like Mr. Miller were here to answer questions about what  
4 he presented but there are a couple of things I'd like to  
5 ask Mr. Burrell.

6 The cost of the Yukon portion of  
7 this proposed system is 1.24 Billion it says here and the  
8 total cost within Canada is 3.56 Billion. I just wonder  
9 where this Foothills Pipelines go for their financing. Is  
10 this financing going to be generated within Canada. If not,  
11 to what markets you would go to borrow monies and if Canada  
12 -- the Canadian Government would be asked to guarantee your  
13 loans in any ways.

14 MR. BURRELL: Well, as far as  
15 guaranteeing the loans for the construction of this pipeline,  
16 no, we do not ask the Government for any guarantees. Our  
17 financial advisors have told us it is not necessary to do  
18 that. As far as where we will be getting the money, we  
19 will be getting some money in the United States and some in  
20 Canada.

21 I'm afraid I don't have the infor-  
22 mation here with me to tell you what that breakdown is but  
23 I think the important thing is though, that the equity part,  
24 the common share part of the pipeline which is the -- that  
25 portion of the ownership of the pipeline which really is  
26 the control of the pipeline, will be all Canadian and it'll



1 owned by Canadians and that is a very important feature of  
2 our project we believe, is that all the common share equity  
3 will be owned by Canadians.

4 MS. MCGOWAN: Um hmm. Somewhere,  
5 about the distribution of gas here in Yukon perhaps -- I  
6 think with a lot of people here tonight, they haven't been  
7 hearing what you've been saying throughout the past week  
8 or ten days and if they have been, they probably have a lot  
9 more questions. It is going to be a shame that if everybody  
10 here tonight doesn't now start to ask a few questions because  
11 you're here and you're available. If they could have been  
12 here earlier through the week, et cetera, and heard what you  
13 had in your presentations, there probably would have been  
14 a great deal more input for tonight.

15 I just wondered too it is stated along  
16 in here in your submission that you presented. It says,

17 "The benefit of natural gas service for communities",  
18 -- which I make note of here -- and you mention here  
19 "in addition, the benefit of natural gas service  
20 for communities in which electricity is generated  
21 thermally."  
22  
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1                               When you were talking here,  
2       you m e n t i o n e d                               conversion to  
3       natural gas as a generating fuel, might also result in lower  
4       electrical costs. I    wonder if you've made any approach to  
5       NCPC in this regard as to whether they might consider conver-  
6       ting to natural gas?

7                               MR. BURRELL: Yes, we have had a  
8       general discussion with them and certainly they indicated to  
9       us that if the cost of generating electricity with natural gas  
10      was cheaper than they are presently using, then they would  
11      certainly consider it, and would likely convert. It would  
12      depend upon the cost of conversion, of course, and so on,  
13      but they express the willingness to convert if it was in  
14      fact cheaper.

15                              MS MCGOWAN: Do you see many household-  
16      ers converting to natural gas if it should become available?

17                              MR. BURRELL: Yes. We think  
18      from our preliminary studies, it indicates to us that there  
19      is a considerable saving of using natural gas over fuel oil.  
20      And we see that there is incentive there for the people to  
21      convert to natural gas.

22                              Now, whether or not they in fact  
23      do convert, is really up to them but as far as we're con-  
24      cerned, there is       incentive. I believe       as I recall,  
25      a number       we estimate, it's a preliminary estimate at  
26      this time, there would have to be more detail work as the



1 project progresses, but we estimate that the saving in  
2 Whitehorse would be about \$200 a year over the use of fuel  
3 oil, and in Watson Lake, as an example, it could be \$500.

4 MS MCGOWAN: It occurs to me, as a  
5 person who's living here, and yes, this pipeline, I'd much  
6 prefer to see it <sup>to a route</sup> run/off the west coast with tankers. But I  
7 just wonder, the predicted lifetime potential of gas reserves  
8 coming from Alaska? Are you looking at also eventually, if the  
9 moratorium should be lifted from NWT, that gas supply coming  
10 from NWT through this system, you know, to keep/in existence  
11 to justify that pipeline being here. And what if somebody  
12 down south at the border decides that they need the gas much  
13 worse than we need the gas, and they say, that's it, we're  
14 closing -- you are shutting off your valves in the Yukon, and  
15 you're going to send it straight down south. What happens then?

16 MR. BURRELL: Well, I guess in my  
17 overview, and I intended to speak to it but I didn't. I over-  
18 looked it. The arrangement which we have made for the supply  
19 of natural gas, of course, we all recognize that the gas in  
20 the pipeline is United States gas, and is destined for U.S.  
21 markets. But as part of our project, we have made an arran-  
22 gement with Pan Alberta Gas Limited, where they would be  
23 prepared to provide natural gas from Alberta on an exchange  
24 arrangement so what would in fact happen is that gas would  
25 be delivered to the Yukon communities from the pipeline which  
26 would be Alaskan gas, but then, when the pipeline reached



1 Alberta, an equivalent amount of gas would then be put in  
2 to the pipeline to offset the volume of gas which was uti-  
3 lized in the Yukon.

4 In actual fact, the gas which would  
5 be used in the Yukon, is Canadian gas.

6 MS MCGOWAN: But I'm still saying, though,  
7 say they tell you, they say to you, you cannot use it from  
8 the border up here in the North, to the border down South,  
9 we want it all straight through with nothing cutting off in  
10 various Yukon communities. Can you say then/<sup>say</sup>that we would  
11 get gas back after -- you used a word last week -- that  
12 they could push it back up that line from the South?

13 MR. BURRELL: Backflow it.  
14 That would occur, the backflowing would occur if Alaska  
15 ran out of a gas supply, and that there would be no gas  
16 to move from Alaska into the U.S. market.

17 But as far the U.S. saying, no you  
18 can't use the gas in our lines for Yukon communities, that,  
19 in my opinion, would not occur because in fact the U.S. is  
20 receiving the same quantity of gas that they put in. It's just  
21 that an exchange arrangement is worked out in order for the  
22 Yukon to received that volume of gas. An in addition to that,  
23 part of the proposal that has been put to the Federal  
24 Power Commission of the United States by the Alcan Pipeline  
25 Company, is in fact such an arrangement to make gas available  
26 in Yukon communities.



1 MS MCGOWAN: Thank you. Another portion  
2 of your presentation was that you intend to obtain supplies  
3 and services from local businesses, providing this does  
4 not cause any unreasonable hardships to the local residents  
5 such as shortages of supplies or higher costs. I just  
6 wonder, as a consumer, how will Foothills judge what hardship  
7 is and when it is reached?

8 MR. BURRELL: Well, that's an  
9 interesting question, and I guess that the answer to that  
10 would differ from various people. But, really, what we're  
11 saying is that first of all, we do believe, and are working  
12 toward getting the local businessmen involved in our project.

13 One of the ways we see this accom-  
14 plished is through the development of a northern bidders list  
15 which we'll be undertaking shortly. In that way, we will be  
16 looking at the capabilities of all the northern businesses  
17 to supply our requirements and discussing with them their  
18 capability, so that we can best match -- and they can best  
19 match their capability with what -- with the present load  
20 which their business has. From that way, we think that the  
21 businessman can get involved to the maximum degree with  
22 supplying goods and services to the project and still protect  
23 his so-called bread-and-butter business.

24 The other thing, of course, and I  
25 use this as an example of one way that such a thing might  
26 occur in the use of local businesses, is that we'll be buying,



1 | if you want to call it groceries, on a truckload basis, so that  
2 | we could, as an example, be purchasing groceries from a local  
3 | supplier, a local grocery store by the truckload, and in fact,  
4 | even though we purchased <sup>it</sup> /from him, the groceries would be loaded  
5 | on a truck in southern Canada and transported <sup>by</sup> his store  
6 | right up to the camp site, so that in fact, we would not be  
7 | taking supplies off the shelf of the grocer at all.

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1 I think that's all I have for the  
2 moment. Thank you.

3 MR. CHAIRMAN: Thank you. Is there any  
4 one else ready with a question or a statement? May I ask you  
5 to begin by identifying yourself, please?

6 MR. ROBERTSON: This presentation  
7 was researched and prepared by myself, Jim Robertson, and my  
8 wife, Thelma I. Robertson, of 695 Alexander Street, Whitehorse,  
9 Yukon, for the submission to this Inquiry. We made this with-  
10 out prejudice, and it is addressed to you, Mr. Lysyk. I'm  
11 making this presentation on behalf of my wife and myself. We  
12 are property taxpayers in the Yukon, and have been for twenty-  
13 two years. We have seen the Yukon, especially the city of  
14 Whitehorse, make significant signs of progress. We have learned  
15 over this time period that whatever progress is made, someone  
16 must pay, such as higher taxes, capital assessments, increased  
17 population, increased crime, social welfare problems, higher costs  
18 for food, utilities, fuel, clothing, et cetera. The taxpayer  
19 generally always pays the price of progress, good or bad.  
20 This is the main theme of our presentation, who pays?

21 Throughout this presentation, references  
22 are made to report numbers. These reports were prepared by the  
23 Impact Information Centre, Box 1267, Fairbanks, Alaska. These  
24 reports are based on the construction of an oil pipeline  
25 originating at the North Slope, terminating at Valdez. This  
26 construction was all within the boundaries of the State of



1 Alaska.

2                               The construction project is winding  
3 down, but is not finished at this stage. This proposed gas  
4 pipeline through the Yukon is primarily for American citizens.  
5 It is to transport gas from Alaska to the mainland  
6 United States of America. We are to be the transportation  
7 corridor. We, Yukoners, are to bear the impact of this  
8 construction project, as well as any environmental accidents  
9 or disaster. We 22,000 Yukoners are asked to bear this impact  
10 for two hundred million people of a foreign country. Because  
11 they have a high consumption of fossil fuels, and we Canadians  
12 are in their path, must we bear the impact?

13                               It is our understanding the gas  
14 reserves in Alaska North Slope are short term. If so, then is  
15 it necessary to build this pipeline? Following our comments  
16 on the Impact Information Centre reports, medical facilities,  
17 report number five: medical evacuation from construction camps  
18 will increase and there will be a greater need for acute  
19 medical care. The number of specialists will have to increase  
20 to meet this demand. Report twenty seven: From the start of the  
21 pipeline construction through April 30, '76, there have been  
22 54,587 pre-employment physicals to pipeline workers and their  
23 families. Cost of medical care to patients at one Fairbanks  
24 clinic increased about fifty percent since 1972. During the  
25 same period, staff salaries increased 75 percent. The Clinic  
26 experienced a high turnover in clerical staff, and increased



3 Banking. Report number twenty nine:

Auto insurance and repairs. Report number twenty nine: Fairbanks insurance agents and adjusters stated that the frequency of auto claims had increased during the pipeline period due to heavy traffic and an increasing numbers of persons who unfamiliar both with northern and driving conditions'. Increases in labour, parts and shipping all combined to raise auto repair costs. A major factor in <sup>higher</sup> auto repair bills is increased labour costs. Repair shop owners said that salary increases were necessary to retain staff because such skills were in high demand on the pipeline. Repair shops also experienced problems keeping an adequate stock of parts. Pipeline contractors bought in large quantities, sometimes buying out entire stocks. Adjusters said the transien nature of the population makes it difficult to contact persons involved in accidents. Pipeline workers were particularly



1 difficult to contact.

2 Burrough Sanitary land fill. Report number  
3 eight: a significant increase in activity at the  
4 site. In addition, there is an increase in the amount of special  
5 wastes associated with pipeline preconstruction, such as  
6 chemicals, petroleum products, plastics and tars.

7 Fire protection, report number  
8 thirty three: the rapid population increases during pipeline  
9 construction accelerated residential development in the out-  
10 lying areas of Fairbanks, which did not have fire protection.  
11 An article on homeowner's insurance problems in Impact Information  
12 Centre report number thirty one noted that the lack of fire  
13 protection was a primary reason for a dramatic increase in fire  
14 losses. Many insurance companies will no longer underwrite  
15 property in areas of the borough which do not have fire protect-  
16 ion. Other companies have raised their rates as much as sixty  
17 percent. An increase in fire protection services could potentially  
18 cut fire losses and lower insurance premiums.



Food Markets Report Number 28. Food retailers cited high staff turnover as a number one problem. Airport Roads Safeway stated during one month in 1975 they had ninety new hires to maintain a 70 person staff. Market Basket estimated that his stores had as many as 40 to 60 new hires a month during 1975. Inadequate parking has been a severe problem for downtown stores.

Welfare, Report Number 26. Almost a 600 per cent increase in welfare aid and counselling since 1973. This was submitted by Salvation Army.

Report Number 27, although there was an expansion in the number of specialists who had joined the medical community, there is a significant gap in psychiatric care and related social services in Fairbanks.

Report Number 4, staff as a comprehensive alcoholism program indicate a substantial increase in drinking activity, and they attribute it almost exclusively to pipeline activity.

Schools, Report Number 8, double shifting in the overcrowded school system from regular school hours to split shifts, starting at 6:00 AM and ending at 6:00 PM, have cut sharply into the availability of organized gymnasium space for winter and other/recreational programs in the community.

Drain on the Local Employment, Report Number 33, the pipeline siphoned off most of the areas highly



1 skilled construction and mechanical trade work force. This  
2 created severe local shortages, particularly for employers  
3 who were non-union. Employers were forced to hire less  
4 skilled persons, consequently lower quality of service.

5 Report Number 10, as a result of  
6 wage disparities, local government and business administrators  
7 have complained that it is difficult to attract and keep  
8 employees in clerical, secretarial and other relatively  
9 low paying jobs.

10 Outside Hire, Report Number 30:  
11 Information received from Arctic Gas consultants showed that  
12 the workers are well paid and can afford to make expensive  
13 moves. They have the economic capability of bringing their  
14 families with them to Alaska, and historically do in large  
15 numbers take their families to their work areas. This  
16 provides the only family life for those highly skilled workers  
17 whose specialties are not transferrable. That is to say,  
18 people knowledgeable in the building of a pipeline. We are  
19 assuming that approximately 16 per cent of the workers in  
20 camp will have families in the Fairbanks area. This factor  
21 is based on the characteristics of a highly-skilled, world-  
22 wide, mobile group of pipeline installation technicians, who  
23 historically have the funds and orientation to move families  
24 to whatever area of the world their work demands.

25 Airport Activity, Report Number 26:  
26 Activity at the Fairbanks International Airport had increased



1 tremendously throughout the pipeline construction. The  
2 number of passengers through the airport rose from a monthly  
3 average of 26,000 in 1973 to 55,000 in 1975. Passenger  
4 traffic peaked in August, 1975 at nearly 75,000. Airport  
5 Manager said that the impact of an increased passenger  
6 traffic has been primarily in minor areas. The lavatories  
7 for example, are inadequate for the number of people using  
8 the facilities. He said that the present restaurant also  
9 needs expansion. The amount of air freight through Fairbanks  
10 Airport during the pipeline construction increased on an  
11 even larger scale than passenger traffic. Air freight  
12 shipments rose from a monthly average of 8 million pounds  
13 in 1973 to 30 million pounds in 1975. Freight shipments  
14 peaked in April and May of 1975, when 48 million pounds  
15 of freight were handled.

16 Breakdown of Families, Report Number  
17 32: Family economic gains have not been without cost at  
18 both the family and community level in general. Fairbanks  
19 families are spending more time at work, less time together  
20 as a family, and less time in non-work activities, such  
21 as entertainment, visiting, outdoor recreation, hunting or  
22 fishing for food.

23 Fixed Incomes: Special report from  
24 a senior citizen dated June 25th, 1975. The pipeline  
25 related prices have made it twice as hard to get by on the  
26 fixed income of so many people that are on pensions and



1 social security. My greatest concern at the moment is  
2 receiving my tax assessment notice and finding the evaluation  
3 of my property and home has gone up to 41,000 in one year's  
4 time. Driving a car, much less because of high rate of  
5 accidents. To many wreckless drivers and people who don't  
6 know how to handle a motor vehicle on ice and snow. Senior  
7 citizens with income of less than \$300.00 per month are  
8 simply unable to compete for limited local resources with  
9 persons earning three or four times as much on pipeline  
10 jobs. With the pipeline impact on Fairbanks makes the  
11 people here less trusty, as all people aren't honest. More  
12 crime, break-ins, can't trust taking off your parka. Many  
13 people coming to Fairbanks from States, no work when they  
14 get here, so are in need. I have my gloves taken every  
15 time I lay them down. I've had many pairs taken this winter.  
16 See the differences this year/<sup>to</sup> what our lifestyle has been in  
17 previous years. There needs to be more protection against  
18 theivery and vandalism, as well as fear of assault. The  
19 Courts are so lenient that too many people are at large who  
20 are going to do or get whatever they want with no regard for  
21 the feelings or rights of others.

22 Report Number 32: Their opportunity  
23 to fully participate in the economic boom during the pipeline  
24 period has not been available to all. In a report on impact  
25 of a pipeline on senior citizens in Fairbanks, the impact  
26 centre found that the fixed incomes of many senior citizens  
were inadequate to meet basic needs.



1                   Other groups more likely to have  
2 had difficulty keeping pace with inflation, includes single  
3 parents with young children, the handicapped and those with  
4 health or mental problems.

5                   These reports from the Impact  
6 Information Center reveal much more information than has  
7 been mentioned in this presentation. Our intent was to  
8 draw attention to some areas that may have serious problems  
9 for Yukoners. There will be an exodus from the local labour  
10 market to the pipeline construction work force leaving voids  
11 in essential services or else, the employer will have to  
12 raise wages to hold onto his staff, therefore, the increases  
13 will be passed on to the consumer.

14                   Quality of services may deteriorate  
15 because of unskilled workers. The local facilities, regard-  
16 less if it is a medical, garages, building trades, offices,  
17 et cetera will be overworked in services, courtesy, as well,  
18 will deteriorate. Efficiency will deteriorate, supplies  
19 will be in demand such as automotive parts, building  
20 supplies, clothing and food because the construction companies  
21 will require these items immediately and in large quantities.

22                   There will be a need to extend  
23 municipal services such as water, sewer, garbage, fire  
24 protection, enforcement and road maintenance.

25                   When the construction boom is over,  
26 many of the above capital works must be paid for, but the



1 construction worker will move on to a new opportunity,  
2 leaving the Yukoners to pick up the residue to debts. Schools  
3 will be crowded, welfare will be swamped with unfortunates,  
4 who thought they would get a job. The increased airport  
5 activity will naturally create a noise problem. The airport  
6 at Whitehorse is located in the center of the city. Welfare  
7 and the courts will be taxed, solving family problems.

8 The increased vehicle traffic on  
9 our roads will create higher upkeep costs. As well, there  
10 will be a higher rate of accidents and congestion.

11 It appears to us that Yukoners will  
12 have to bear the brunt of added burden, whether they be of  
13 monetary values, social values or environmental values, with  
14 little or no benefits from this pipeline project.

15 In conclusion, we are not -- and  
16 I repeat, Mr. Chairman -- we are not in favour of the pipe-  
17 line construction project in the Yukon.

18 Thank you for this opportunity to  
19 express our views and in conclusion, we will close with  
20 these two statements from the Impact Information Center,  
21 Special Report Number 4.

22 Things are going downhill. The  
23 party is over. They have built too many houses and apart-  
24 ments and people are going to scam. We go from one extreme  
25 to another here in Alaska. I'll be glad when this pipeline  
26 is over. I'm exhausted. I've got nothing to show for it.



1 I've had it and I'm fed up. Other residents commented that  
2 they were looking forward to the end of the pipeline. We  
3 have been here this long, why should we leave? We hope the  
4 boomers leave and let us go back to the good life we once  
5 enjoyed.

6 Thank you Mr. Chairman.

7 MR. CHAIRMAN: I should like to  
8 thank you very much sir, for the great deal of time and  
9 effort, you and your wife have obviously put into assembling  
10 that information, particularly about the Alaska situation  
11 and the very considerable amount of thought you have also  
12 obviously given to the issues, and it seems to me that you  
13 provided a broad range of issues and matters for the represen-  
14 tatives of Foothills to respond to.

15 I won't attempt to summarize the  
16 points you made but perhaps just mention one or two as I  
17 jotted them down. The general question raised about who  
18 pays for the increased cost of services and the implications  
19 of your information about also the drop in quality of  
20 services that was experienced in Alaska. The other general  
21 question about the comparability of the Alaska situation  
22 generally, is something which is of interest to our Board  
23 of Inquiry as indicated in the formal hearings.  
24 We are interested in that and the wide range of matters  
25 you mentioned there, the ones I noted -- medical care  
26 services with respect to employment, the turnover problem,



1 the drain on the work force, the high wages paid to people  
2 working on the pipeline and the effect that that had on  
3 other employers, essential services other than medical care  
4 services such as fire protection, increased cost of welfare,  
5 effect of inflationary conditions on people on fixed --  
6 with fixed incomes, crime rates and so on and the general  
7 question<sup>you</sup> raised about the effect on lifestyle.

8 So, if I may, Mr. Burrell, Mr.  
9 Boukhout, invite you to respond to the issues raised.

10 MR. BURRELL: First of all, the  
11 matters dealt with here appear to be primarily in the con-  
12 struction phase of the Alyeska project and we recognize  
13 that there have been problems in Alyeska. As a general  
14 comment, I think we're very fortunate in proposing these  
15 pipelines, that we have had the experience of the Alyeska  
16 situation to find out where their difficulties are and to  
17 plan accordingly to minimize these.

18 This certainly -- one of the reasons  
19 this Inquiry is set up is to -- is part of the planning  
20 process to minimize the detrimental impacts that this pipe-  
21 line can build -- could create. There are I think though,  
22 differences between the Alyeska situation and what we're  
23 proposing here, of course.

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1 One of them is, it is just the size of the job. The Alyeska  
2 project as I recall is looking at a peak manpower force of  
3 something in excess of 20,000. Our peak force is 2,300, so  
4 we're looking at probably 10 per cent of that. From what  
5 I read and what I understand, many of the problems which  
6 were created in Alaska were a result of the hiring policies  
7 which were followed.

8 As a result of that, of course, as  
9 I understand, Fairbanks at the outset thought that by having  
10 a large number of the Alyeska people in Fairbanks, it would  
11 be to their advantage for tax revenue and other revenues.

12 From my discussions there, they have  
13 concluded that that wouldn't be the way to go. That to  
14 locate the people in the communities, they would not want to  
15 do that again. So, what we have done in our project, is  
16 designed a project, we believe, to minimize the in-migration,  
17 resulting from the project and to minimize the interfacing  
18 of the construction workers with the communities.

19 Some of the things which we have done ---  
20 or some of the policy positions that we have put forward in  
21 order to minimize these impacts that you have been referring  
22 to in your report is that all southerners who want employment  
23 on a pipeline will be hired south of 60. And that no/hiring pipeline employment  
24 of southerners will occur in the Yukon, and that only Yukoners  
25 will be hired in Yukon for employment on the pipeline project.

26 We intend to route the construction



1 personnel to and from the jobsite as expeditiously as possible.  
2 Hiring the southerners in the south, and flying them by  
3 airplane to the closest airport in Yukon and then busing  
4 them from there to the construction camp which they would  
5 be working from.

6                               The other thing is that -- one of the  
7 other things is that we will be providing construction  
8 camps which are well equipped, self-contained, will have  
9 recreational facilities, all the amenities which would  
10 tend to encourage the workers to stay in the camp. These  
11 camps will also be located away from the communities. We  
12 do not intend to provide any casual transportation for any  
13 of the workers, we would not be providing parking spaces  
14 for any vehicles, other than for local residents, we would  
15 intend to put in a tavern facility within the camp itself,  
16 so that, as I was saying, we would have the facilities there  
17 to encourage the workers to stay within the camp.

18                               I think another factor we have to look  
19 at too is that these men will be coming up on a single  
20 status basis, so from that standpoint their families will be  
21 remaining in the south, and there will be no, as we see it,  
22 no requirement for -- on the educational system, on the  
23 municipal services, any of those infrastructure facilities  
24 located in the communities because those will all be contained  
25 within the camp itself, or as I say, the workers will be up  
26 here on a single status basis, therefore not requiring educational



1 facilities.

2 Another, I think, a very important  
3 factor, which was not -- does not apply to the Alaska situation,  
4 but will certainly apply to our situation is that in the  
5 Alyeska situation all the pipeline construction was done  
6 within Alaska. With our proposed project, at the time the  
7 construction of the Yukon portion is going forward, there  
8 would also be construction, a considerable amount of  
9 pipeline construction, in Alberta and British Columbia, in  
10 addition to the other construction that is going on. Generally  
11 speaking, workers tend to want to be employed as close to  
12 their home as they possibly can, so that it's likely that  
13 any of those workers who would have wanted to come up to  
14 the Yukon to get employment would accept employment in  
15 Alberta and British Columbia before they got to the Yukon.  
16 Not that some wouldn't want to come to the Yukon, but  
17 certainly our policies would discourage people from coming  
18 up to the Yukon to try and get employment because unless  
19 they are hired in the south they won't get jobs.

20 Another thing too, which we will be  
21 doing which, I understand, was not tried or not successfully  
22 tried in Alaska was an advertising program. We intend to  
23 advertise fully our policy positions with respect to hiring  
24 the fact that if you are a southern worker you won't get  
25 employment in Yukon, you have to be hired in the south.

26 I think that those factors will make a



1 considerable difference, and that we will not have the  
2 impact in the Yukon that were experienced in Alyeska.

3 The planning process is extremely  
4 important -- we have the opportunity and I'm satisfied that  
5 we will -- all the responsible parties, whether it be  
6 government or ourselves, or whatever, we'll plan in such a  
7 manner to minimize the detrimental impacts.

8 The other thing I think is another  
9 area, is the police force. At the formal hearings that have  
10 been going on in Whitehorse now for the last week, there  
11 has been discussion about the difficulties of maintaining  
12 adequate police force in Fairbanks, because the force was  
13 leaving -- the men were leaving the force in order to take  
14 employment on the pipeline. In a situation here in the  
15 Yukon we will be relying on the R.C.M.P. to do their normal  
16 duties and they certainly have a large number of personnel  
17 that they can draw upon from the south if there is a  
18 problem.

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As far as who pays for these matters, the policy of Foothills Pipeline is that any costs which are traceable to our project will be the responsibility of the project. There are other costs that we see perhaps maybe in a grey area where it is difficult to tell whether it is a result of the pipeline activity or something else. We see that it is extremely important to have a procedure established so that the proper allocation of costs can be made before the pipeline construction starts and we have made the commitment that we will -- are prepared and eager to sit down with the Government agencies, the appropriate Government agencies to work out such a procedure.

26 MR. ROBERTSON: Basically, I



1 disagree with you. To be honest with you and candid --

2 MR. BURRELL: Fair enough.

3 MR. ROBERTSON: Myself, you  
4 could maybe say, I'm a bit pessimistic about the whole thing.  
5 The best laid plans naturally can go a little bit haywire.  
6 Now, just in relation, you are saying that the impact isn't  
7 going to be the same as the Alaska impact -- or Alyeska.

8 Now, it is true that you're going  
9 to have a much smaller force but the Yukon's also got a  
10 much smaller population and I would hazard to guess that  
11 the Yukon's population is far less than 10 per ten, so you  
12 could say that we are going to have a mini impact if you  
13 wish to call it that, but it'll be just as serious and just  
14 as -- as I would say -- disturbing, to the people who live  
15 here, whether they live in Fairbanks or whether they live  
16 in Whitehorse or Burwash or wherever it may be.

17 About the outside hiring, I realize  
18 that your policy is to advertise and try to outside hire and  
19 handle it from out there, but there is also the fact that  
20 this is a democratic country and people can come and go as  
21 they wish and they will come up here, regardless of adver-  
22 tising and they will come into Whitehorse or wherever and  
23 broke, which a lot will be.

24 This is why I mention the unfortunate  
25 ones that will come in and unfortunately, the Yukoner will  
26 be stuck with the tab again. But when I say who pays, I'm



1 not only -- do not only mean monies, I also mean the -- if  
2 you want to call it, the mental and social well-being too.

3 To be fair, I think we could dis-  
4 cuss this for many many hours.

5 MR. BURRELL: Yes and we wouldn't  
6 -- we don't deny that there are going to be impacts as a  
7 result of this pipeline. I think that would be very foolish  
8 and dishonest of us if we were to say that. There will be  
9 and there will be problems, but, certainly, we're designing  
10 our policies towards minimizing that and as I say, based  
11 upon what we've learned from the Alyeska experience, and I  
12 think you have to realize that things do -- you learn by  
13 experience.

14 Alyeska was the -- I guess if you  
15 want to call it -- the first in the North. We've learned  
16 from that. I think too, you have to also look at the  
17 situation that has occurred in Alberta. The situation of  
18 say the Westcoast situation in Fort Nelson, Westcoast went  
19 in there and built facilities and there were, to my knowledge,  
20 and certainly one of the members of our Panels spoke to  
21 this last week that there were no -- there was some diffi-  
22 culties but on the whole, it was a plus effect for the  
23 area.

24 Then we get into the Tarsands  
25 Project and to my knowledge, they're not experiencing the  
26 problems that Alyeska has had. I think that certainly, we



1 have to look at the Alyeska situation. I think it would be  
2 wrong not to do that, but I think also you have to also  
3 look at other situations and see what they're doing and what  
4 success they're having and look at it all as a package and  
5 then from there, you develop the policies that are required  
6 to minimize the impacts that we have.

7 I think too, to be fair to the  
8 project, there are advantages that the project brings.  
9 There is the employment opportunities, there is the oppor-  
10 tunity for gas supply, there is the opportunity for local  
11 business. I suppose the diversity of, in the economy. There  
12 were some difficulties here you know as being tied to say  
13 one large industry and there was a strike in that industry,  
14 so I think the fact that the pipeline can offer some  
15 diversity to the economy.

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1 But for us to say that there will be no detrimental  
2 impact, we can't just say it. But we think that we can  
3 develop policies and plans to such a manner that those can  
4 be kept to an acceptable level.

5 MR. ROBERTSON: You mentioned,  
6 one thing about availability of gas, there was one concern  
7 that has crossed my mind from time, is that if gas is made  
8 available to , we'll say the city of Whitehorse, and it's --  
9 we'll say up there at Jackson Lake, we'll say a leadoff up  
10 there, for instance, the person in Whitehorse that wants to  
11 receive that benefit is going to have to pay for it, isn't it?

12 Is Foothills going to put that pipe-  
13 line into Whitehorse, and put the distribution system in,  
14 patch up the pavement, patch up the curbing, patch up the  
15 sidewalks, in other words, put it back to where it started  
16 from?

17 MR. BURRELL: Well, the  
18 estimating of the cost to install these distribution systems  
19 and these laterals were done for us by people that are in  
20 that business. And the cost that have been developed for  
21 these distribution systems include the digging of a trench,  
22 of course, and the backfilling, and the repaving as required,  
23 which a standard practice in any installation of a distri-  
24 bution system where the cost of repairs to the pavement or  
25 restoring the trench area, if you wish to call it that, to  
26 its original condition, they are included in the costs.



1 Our estimates show that with those  
2 costs and the estimates that have been developed, that  
3 natural gas can be made available to the residents of White-  
4 horse, as an example, at a cost which would be lower than  
5 what they would experience with fuel oil. But those costs  
6 you are referring to are included in the estimate and the  
7 repair work would be done as part of the normal installation.

8 MR. CHAIRMAN: Thank you, very much  
9 indeed.

10 MR. ROBERTSON: Can I give you a  
11 copy?

12 MR. CHAIRMAN: By all means, you're  
13 welcome to. As I mentioned earlier that brief, like any  
14 others that are submitted, will be kept by the Inquiry.  
15 They're available. They become part of our records and are  
16 available to anyone who wishes to see them.

17 (PRESENTATION BY JAMES M. ROBERTSON AND VELMA I.

18 ROBERTSON MARKED AS EXHIBIT NO. 37)

19 MR. CHAIRMAN: There is one more person  
20 coming forward now, and then perhaps after that we can take  
21 a short coffee break -- assuming there is some coffee there.

22 D. CARROTHERS: Sworn.

23 MR. CARROTHERS: My name is Dan  
24 Carrothers, Yukon resident. Perhaps somebody could turn  
25 this microphone up so they can hear in the back.

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1 I'm not providing a formal sub-  
2 mission in any sense of the word. All I'm doing is repre-  
3 senting a group of people, the size of which I'm not sure  
4 and perhaps it's more your duty to find out, how big a group  
5 that group really is.

6 I would like to start, first of all,  
7 with a --

8 This group of people is quite  
9 unorganized and it's probably the reason that this isn't a  
10 formal presentation. It just so happens that one of this  
11 group has made his concern known through the "Whitehorse  
12 Star" this evening. The others were kind enough to get it in  
13 tonight, I think perhaps <sup>because</sup> of what is going on here tonight.

14 If you don't mind, I'd like to read  
15 this letter. It's important and it expresses the concern  
16 of what we believe is a large group of Yukoners, and I think  
17 a lot of these people don't necessarily live in Whitehorse  
18 or even around Whitehorse, and therefore, you are not liable  
19 to come in contact with them nearly as readily as you will  
20 the people you are seeing here tonight.

21 So if you will bear with me, it's  
22 rather a lengthy letter. Like I say, it's important.

23 "The general impression I've been  
24 getting lately, listening to the radio and reading the paper,  
25 is that all Yukoners accept and favour such massive economic  
26 developments as pipelines and smelters, as an inevitable stage  
in the Yukon's growth. A Foothills representative stated



1 recently that there was no outright opposition to their pipeline  
2 proposal. The opinions expressed in the media by politicians,  
3 business people, tourism and Chamber of Mines, are I believe,  
4 not representative of the majority of Yukon residents.

5 "A considerably large group of us  
6 has had to accept a certain degree of development and modern-  
7 ization in line with the population growth and technological  
8 advancements, but we haven't welcomed it." I personally -  
9 I'm not speaking for myself here - "I personally find that  
10 Whitehorse, for example, has become increasingly more  
11 offensive with each new store, industry, trailer court and  
12 even stop signs. However, it would be a futile endeavour to  
13 try and inhibit these changes. Besides, this growth is  
14 slow and subtle, enough that we can adapt readily.

15 "But the kind of monumental deve-  
16 lopment being pushed at by Foothills and Kaiser Aluminum is  
17 a different kind of abnormal growth.

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1 dictated mainly by the political and economical interest of  
2 the energy starved south.

3 Why did most of us settle and remain  
4 in Yukon? I suspect, whether you are in business, a  
5 government employee, minor, labourer or back-to-the-lander,  
6 you are less motivated by job opportunities, higher salaries,  
7 and economic development than by the scenery, remoteness,  
8 privacy, simplicity and clean air, all of which stand to  
9 suffer from pipeline and smelter projects.

10 I accept the realities of development  
11 and increased population, but I would much rather suffer  
12 the consequences of inflation, fuel shortages and unemployment  
13 than the prospects of environmental damage and exodus of  
14 money mongers and urban sprawl.

15 We are all dependent to some extent  
16 on the economic base in the Yukon, but some of us are trying  
17 to reduce that dependency by working toward a more self-  
18 sufficient lifestyle. Further development results in more  
19 extended controls and bureaucracy. The situation is obviously  
20 more frustrating for natives who have had to adapt dramatically  
21 to a point of sacrificing their very culture in the wake  
22 of economical and political expediency.

23 One doesn't have to be an economist,  
24 environmentalist, politician, or even very smart to realize  
25 that a massive influx of people and industry in the Yukon  
26 will be detrimental to our living conditions in the end.



1 Nor is the average person adept enough even at bureaucratic  
2 protocol, to prepare briefs and submit himself to interrogation  
3 by the Energy Commission and Pipeline lawyers.

4 Consequently, they tend to be less  
5 political and organizational resulting in less vocal and  
6 over participation in local politics.

7 But the pipeline and smelter issue is  
8 very likely to turn apathy and uninvolved into more  
9 reactionary behavior. However, for now we must at least  
10 let our views be heard in order to assess the true public  
11 opinion on this matter.

12 Enough of us are refugees from the  
13 south with vivid enough memories of the resulting destruction  
14 there to not be enticed into more industry for the sake  
15 of prosperity. We've heard this argument too many times to  
16 realize that quantitative development lacks the quality of  
17 gradual people-oriented businesses and services.

18 We're being conned into believing that  
19 a pipeline is inevitable and that we have the choice of  
20 determining our own future by choosing the lesser or two  
21 or three evils. We have been bombarded by slick P.R. men  
22 from Outside trying to paint a rosy picture of a little  
23 northern Eutopia with jobs and money galore for all forever.

24 We will also have the satisfaction of  
25 contributing to the industrial machine and the prosperity  
26 in the States, and once the big foot is in the door, in



1 comes the Dempster lateral connection, the railroad extensions,  
2 hydro dams, followed closely by massive mining development,  
3 paved highways and much more industry to take full advantage  
4 of all these facilities.

5 It's only a matter of time before  
6 Whitehorse resembles Calgary. I don't think we need jobs  
7 and money that badly. If we did, it would be much simpler  
8 to move to Calgary.

9 Let's make it crystal clear that we  
10 control our resources, that we develop the Yukon for our  
11 benefit, and that we will determine our own destiny. As  
12 long as we have population growth, we have to expect economic  
13 growth. But let's keep it in line with the pace of normal  
14 growth, resulting from people who come here motivated by the  
15 a desire to live here harmoniously and not the cancerous  
16 growth resulting from pure economic motives of the people  
17 reaping the rewards of a boom and leaving it a total bust.

18 That letter was written by Peter  
19 Heebink , a Yukoner for a number of years, and I'll  
20 convey that applause to Peter the next time I see him.

21 MR. CHAIRMAN: Thank you, Mr.  
22 Carrothers. Did you wish to elaborate beyond the letter  
23 you have just read?

24 MR. CARROTHERS: Yes, I do.

25 MR. CHAIRMAN: Please go ahead.

26 MR. CARROTHERS: I wasn't confident



1 that this was going to come out this evening, so I had  
2 prepared something else as well.

3 The man just earlier who presented his  
4 wife and himself, put together a brief, commented on some  
5 of the things that I think are bothering a lot of Yukoners,  
6 and I know these things are under consideration by Foothills  
7 Pipeline.

8 There was a statement made yesterday  
9 at this Inquiry by Mr. Bayly, representing the Conservation  
10 Society here. He said that so that even though the  
11 controls that you might propose, that is that Foothills  
12 might propose, Mr. Templeton, pardon me in this case, might  
13 propose, and the fact that we will be building this with an  
14 entire staff of men of goodwill, referring to the staff of  
15 Foothills Pipeline.

16 Now, I just want to say that to me and  
17 to a lot of these people that I represent, it's not the  
18 pipeline itself that is bothering us. The people that work  
19 for Foothills Pipeline I do think are men of goodwill, and I  
20 think they have a lot of matters in hand and I think they  
21 understand what is going to happen. What is bothering us  
22 more than anything else is the fact that our Territorial  
23 Government here has said virtually nothing during the progress  
24 of this Inquiry so far. We don't have the confidence in that  
25 government to be able to handle the problems that are going  
26 to be created by that pipeline, despite the controls that



1 this Inquiry will hopefully come up with and that Foothills  
2 Pipeline's planners will come up with.



1                   It is our Government that we are  
2 worried about more than anything. We know what our Govern-  
3 ment wants and we know what type of people our Councillors  
4 are. They would just as soon spend hours in their Council  
5 Chambers debating whether they should be called MLA's or  
6 Councillors than doing anything more meaningful than that.  
7 This bothers us.

8                   I think some of the matters that  
9 do concern us have been ignored and unfortunately, these  
10 matters have been ignored by our Territorial Government,  
11 who is supposed to be representing us, but isn't. Fortunately,  
12 Mr. Templeton, in his submission yesterday, brought out  
13 some of these things and I wish to thank now Mr. Steven  
14 Goudge, for allowing Mr. Templeton to elaborate on those  
15 things and for the pointed question in which Mr. Goudge  
16 provided during the cross-examination.

17                   In that question, he brought out  
18 some of the things which are, to our minds, more important  
19 than a 300 foot pipeline right-of-way which is going to  
20 disturb a minimal amount of environment and destruct a  
21 minimal amount of the total environment in the Yukon. It  
22 is those things which come after, those things which are  
23 called contemporaneous or consequential.

24                   I want to refer to part of the  
25 transcript from yesterday. Mr. Templeton, who's being  
26 cross-examined by Mr. Goudge here and if you don't mind,



1 I'd like to read some of this because it makes clear what  
2 these contemporaneous and consequential changes in the  
3 Yukon are.

4 We start out with a question by  
5 Mr. Goudge directed to Mr. Templeton and his Panel.

6 "Now, let me move if I can" to a matter that  
7 Mr. Bayly dealt with you on. There is no doubt  
8 I take it, Mr. Templeton, that there is at  
9 least a possibility of a number of contempor-  
10 aneous developments accompanying the building  
11 of a pipeline occurring in the same time frame.  
12 Mr. Templeton said yes. Paving the highway  
13 has been spoken of. A Kaiser aluminum smelter  
14 has been spoken of. Indeed, the building --  
15 pardon me -- a building indeed of the Alcan  
16 portion of this line has been spoken of. The  
17 building of hydro electric development has been  
18 spoken of. Mr. Templeton said yes.  
19 Mr. Goudge goes on. Would you agree that all  
20 those have been noted as possible contempor-  
21 aneous developments? Mr. Templeton says yes,  
22 I believe so.

23 Mr. Goudge goes on and then in addition,  
24 there might be what I could call, consequential  
25 developments, that is development that is  
26 consequent upon the building of a gas pipeline



1 and let me ask you to agree that the Dempster  
2 lateral falls into that category, looping of  
3 the main line falls into that category. In-  
4 deed the building of an oil line along the  
5 same right-of-way might be said to fall into  
6 that category. Would you agree? Yes.

7 Putting all these things together, I'm  
8 curious that in conducting your socio-economic  
9 impact study, you didn't place the impact  
10 that you foresee for this gas line in the  
11 context, both of contemporaneous development  
12 and consequential development. Mr. Templeton  
13 answers, Well, I think that's quite right. I  
14 quite agree with you. We previously called  
15 these accumulative impacts, where you try  
16 to estimate in general terms, how all these  
17 things will add up. We just didn't have time  
18 to do that, but that certainly -- I guess it  
19 really should be in an initial impact state-  
20 ment because it might be enough to say that  
21 the problems are too serious, so perhaps we  
22 should have done that but we didn't.

23 Mr. Goudge asks, No doubt that the impact  
24 caused by a gas line alone, setting aside the  
25 other developments I've mentioned, rate quite  
26 differently, at least possibly from those



1 same impacts placed in the context of a con-  
2 temporaneous and consequential development  
3 I've spoken about. Mr. Templeton says yes.

4 And I take it from your previous answer,  
5 that there is at least a possibility of a  
6 different view of the decision in principle,  
7 depending upon whether one analyzes only the  
8 gas line by itself or whether one analyzes  
9 the gas line together with the other factors  
10 I've discussed with you. I guess you'd have  
11 to make a bit of a study on that, says Mr.  
12 Templeton. Perhaps a risk analysis of some  
13 kind -- or some kind of a probability analysis.

14 To discuss the chances of all of these  
15 happening at once or even two of them or  
16 three of them or something, to -- I don't  
17 think you can just say, well, we've got to  
18 look at them all piled one on top of the  
19 other because I can remember talk about the  
20 diversions in the Yukon River and the Lewes  
21 River when I was going to school and they're  
22 not done yet.

23 Mr. Goudge; How does one deal with  
24 that? Mr. Templeton: I don't know. I  
25 guess you get busy and run a probability  
26 analysis of what are the chances and come to



1 a conclusion. But this would involved -- I  
2 don't know how you get the information --  
3 these are organizations that don't give you  
4 information as far as I know.

5 Mr. Goudge: Sir, it's almost 3:30 and  
6 I think some of the Panel members would like  
7 to get away. Perhaps this is a useful place  
8 to stop for a few minutes. I would think I  
9 -- sorry, Dr. Nelson -- I didn't know whether  
10 you were getting ready to go or whether you  
11 wanted a hand." Dr. Nelson was on Mr.  
12 Templeton's Panel.

13 Dr. Nelson makes a statement here  
14 which is important. He says,

15 "That's a fundamental question that you've  
16 just imposed on impact assessment and another  
17 thing, aside from probability of occurrence,  
18 would be a degree of connection with a main  
19 enterprise under examination. That is, some  
20 of the proposals that I think you mentioned  
21 could stand independent of the gas line and  
22 to that extent, you'd be less likely to  
23 examine these in an overall comprehensive  
24 assessment."



1                   Let me ask you one further question  
2 on that, though, Mr. Goudge. The connection can be one of  
3 time, rather than one of inter-relationship with the project,  
4 yes.

5                   I think those three pages in the  
6 transcript from yesterday are extremely significant and I hope  
7 the Inquiry panel took them for their real significance. This  
8 problem, like I say, it's not the pipeline itself. Myself,  
9 I'm a biologist, I'm familiar with the Yukon environment and  
10 the Northern environment generally and, in my own estimations,  
11 Foothills Pipe Line is doing a first class job in trying to  
12 deal with those problems that can crop up on the pipeline it-  
13 self within a small distance either side of the pipeline.

14                  It's unfortunate that the terms of  
15 reference for their own assessment of environmental impact  
16 is - it doesn't extend beyond a few miles either side of that  
17 right-of-way. This is not their fault, it's the fault of our  
18 federal government, it's the fault of the Canadians generally.  
19 Canadians don't understand that environment can't be quantified  
20 into strips of land, it's much more than that. They don't  
21 understand how environment is affected. They don't see the  
22 significance of these spotlights shining around here. They  
23 don't understand how that can affect our environment, although  
24 some of them who are sitting close perhaps can.

25                  We want Yukoners to understand the  
26 full ramifications of this project, not just the 300 foot right-



1 of-way or whatever it is, running through our country. We  
2 want them to recognize what our Territorial government wants  
3 and we want them to recognize how adept our Territorial govern-  
4 ment would be in trying to get that and anyone who has lived  
5 here for any length of time has their own opinions of how  
6 adept that would be.

7 Remember that there's going to be  
8 taxes which come out of this pipeline and those taxes are  
9 going to go to our Territorial Councillors amongst other  
10 people, for them to do with what they wish. Remember, they've  
11 never had that much money in their lives. What would you do  
12 with it, when you know damn well what they're going to do with  
13 it.

14 First of all, there's a likelihood  
15 that their own bureaucracy is going to built up in the mean-  
16 time. They're going to have this money and they're not going  
17 to know what to do with it, at least for a few minutes. Then  
18 they're going to look around and they're going to see the  
19 gravel roads, they're going to see all kinds of things. They're  
20 going to see the potential for drawing industry into the Yukon,  
21 the concessions they'll make, the grants, the tax grants, the  
22 things like that. They're going to be rich and they're going  
23 to throw their money around. They've never had that much money,  
24 they don't know how to handle it.

25 We're seriously worried about these  
26 representatives of ours and I just wish we had people represent-



1 ing us in government, like are representing Foothills Pipe  
2 Line Company here. I think the distinction is marked.

3 I think I'd better stop here. I'm  
4 going to get carried away. I hope I've made my point. Let's  
5 make Yukoners aware of what all the ramifications are of this  
6 development proposal. All of the developments, all of the  
7 ramifications. Our Territorial government has not taken that  
8 responsibility to inform their people. Foothills Pipe Line  
9 has taken a good share of that responsibility in trying to  
10 inform them. The Inquiry itself has, too, but I think there  
11 are some problems in that area as well.

12 Okay, Mr. Chairman, that's what  
13 disturbs us, that letter by Peter Heebink in the Whitehorse  
14 Star, today's Whitehorse Star. I hope someone puts it out  
15 and pastes it on your briefcase.

16 I want you to know that we're under  
17 terrific time constraints here - you are, and Yukoners are,  
18 too, and I want you to consider that perhaps you really haven't  
19 been given the time to define and evaluate and understand  
20 and report on those issues which are really involved in this  
21 pipeline. I think, perhaps, you are beginning to realize it  
22 yourself.

23 Remember that Yukoners are not as  
24 well informed as you might be lead to believe. There's an  
25 awful lot of Yukoners that don't live in Whitehorse - remember  
26 that, and there's a very big distinction in the mentalities



1 of those people that don't live here and those people that do.

2 I hope the Inquiry can help to give  
3 us more information on this and I hope the Inquiry sees fit to  
4 give us some time to think about this kind of thing. Time to  
5 think about it with more information in our hands.

6 Thank you very much.

7 MR. COMMISSIONER: Thank you very  
8 much for your contribution, Mr. Carrothers. I suggested just  
9 before you started that this might be an appropriate time to  
10 take a break of about ten minutes. I'm not sure the coffee  
11 reserves are up to demand, but I'm sure everyone will welcome  
12 the chance to stretch their legs in any event and I'd suggest  
13 that we start again in about ten minutes.

14 (PROCEEDINGS ADJOURNED)

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1 (PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

2 MR. CHAIRMAN: We thought this evening  
3 that we would carry on until about 10 o'clock. I mentioned  
4 when we started that there will be further community hearings  
5 here in Whitehorse, and perhaps I should have been more  
6 specific.

7 In the week beginning Monday, June 27th,  
8 there will be evening community hearings throughout the week  
9 here in Whitehorse, and if necessary, also the following  
10 week.

11 So, if we may continue then, Mrs.  
12 Thompson indicated that she had a statement to make.

13 MRS. THOMPSON: I'm Margaret Thompson  
14 from Ross River. I would like to make a couple of comments  
15 on what was being said this afternoon by Mr. Miller.

16 I felt that he was very arrogant in  
17 his attitude in saying the things that he did, and I was  
18 really surprised that his lack of information, or preparing  
19 of information, because of his background in former Territorial  
20 employment, and that all of his things that he was basing his  
21 arguments on, he was assuming and he was stating crime rate,  
22 health services, social welfare services and employment and  
23 so on. I felt that he was very vague in that way, and  
24 somebody had asked the question tonight, who pays?

25 I feel that the native person is  
26 going to pay. The native person, the original person in the



1 Yukon is going to pay the highest price in this development.

2                   There is an attitude that it is  
3 assumed that this pipeline is going to go, and I might say  
4 I'm very glad to hear the last speaker, and the speaker before  
5 mention that they didn't want a pipeline in the Yukon, and  
6 I'm glad to hear that this type of thing is coming from the  
7 European culture, as well as the Indian society here.

8                   I couldn't help but be surprised at  
9 one of the Foothills' speakers mentioning, you know, filling  
10 in time, talking about the loss of the Perigrene Falcon and  
11 the extinction and so on.

12                   Well my concern is the extinction of  
13 the native people and to me that is more relevant.

14                   I'd like to make a comment that they  
15 feel that everything is going to go through the Territorial  
16 Government in negotiations and so on, and setting all this  
17 up, re policy. I feel at this time the native people are  
18 not involved, they don't participate in the Territorial  
19 Government as such, and so therefore, I feel that they are  
20 assuming that the native people, or the Territorial Government  
21 is representing everybody.

22                   This is one thing that has been brought  
23 out and stated by Warran Allmand.

24                   One of the things that was mentioned  
25 about employment that they were saying yesterday that there  
26 wasn't going to be anybody taking away from the local



1 communities, the leadership and so on from the small  
2 communities because it would create a havoc there if those  
3 people weren't replaced.

4 But I think that also building up an  
5 argument of having southern people coming up for employment,  
6 so therefore you will have an in-migration, whether you like  
7 it or not, and I don't think we have any chance or any say  
8 in this matter.

9 One of the speakers just a while ago  
10 said he was designing policies and he referred to Fort Nelson  
11 and the Tar Sands area. I originally come from Fort  
12 McMurray, and that community years ago started out from  
13 what I see happening in the Yukon now. And even now the  
14 employment situation of the native people in the Tar Sands  
15 is nil. They are still last to be considered, and still  
16 a lot of the social problems and so on that are related to  
17 native people specifically, because they are not considered  
18 or included or no special consideration is given to them in  
19 this employment area.

20 So, I can see the same kind of thing  
21 that's going to happen here, and I feel that, you know, the  
22 Territorial Government will be looking at this seriously  
23 in terms of a money venture, and I think they'll play the  
24 political game with the Federal Government and so on, but  
25 always at the expense of the native people.

26 Thank you.



1 MR. CHAIRMAN: Thank you, Mrs.

2 Thompson. Anyone else? Yes?

3 Would you identify yourself please.

4

5 MR. ARMSTRONG: My name is Irwin  
6 Armstrong, I've been in the Yukon for over 25 years, and have  
7 had considerable contact with the Indian people.

8 When I first took over the contract  
9 for the supply to United Keno Hill Mines with mine timber,  
10 the postmistress at Carmacks told me that I would never be  
11 able to handle that contract because--- with a work crew of  
12 local Indians, because they were the worst savages in the  
13 North American continent. So after getting acquainted with  
14 some of the clergymen here, I could pretty well see what  
15 was lacking.

16 Where I came from in Ontario the  
17 4-H Clubs, and the Farmwomen's Institute were very active  
18 and their program was very effective.

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1 controlling more reclined and even economic problems and it  
2 was their program that put Bee Brothers, which was a manufac-  
3 turing concern in my home town back on their feet when they  
4 had serious labour problems and financial problems. Inspector  
5 Hunter, formerly of Whitehorse, comes from the same part of  
6 Ontario as I come from and he agreed that if it hadn't been for  
7 the work of the Boys Club and Farmwomen's Institute in that  
8 part of the country that they would have had the same problems  
9 that they have in Ireland at the present time.

10 I have met several people from vari-  
11 ious parts of the country and other parts of the world this  
12 last year or so, who are of opinion that Whitehorse is the  
13 most aesthetic set-up they've ever seen and I'm inclined to  
14 think so, too. When I was in Edmonton, in 1950, they were  
15 advising collective living with cultural, recreational and  
16 vocational training facilities, instead of avenues of houses.  
17 But they noted that the Canadian people weren't ready for such  
18 changes, but they predicted that moral decline and economic  
19 problems would eventually drive them to making such changes  
20 and I'm inclined to think that that's just about the situation  
21 right here now. The predictions that were made by the Edmonton  
22 Builders Association have materialized.

23 I have a sketch here of the sugges-  
24 tions that they offered or advised, instead of avenues of  
25 houses. It's just a rough sketch of the Terrace highrise,  
26 but they have some of them built in Edmonton and other parts of



1 the country and I've met people that live in these places and  
2 they said that they wouldn't live anywhere else if the living  
3 accommodations were available. I met one woman from Scotland  
4 who had been living in one of those places in Scotland and  
5 she's living in a new district in Edmonton and she told me that if  
6 she had her  
7 ticket to go back to where she'd been living in Scotland,  
8 she'd go back tomorrow because there's no place but the streets  
9 for her children to play on and on top of that she had poor  
10 health.

10 When I had the Line Timber Camps  
11 for Keno Hill, several years ago, I had a social club instead  
12 of a beer parlour and I provided my crew with an opportunity  
13 to entertain themselves with a friendly card party, singsong,  
14 and a dance whenever they wished to, which was a program that  
15 the Ontario's Women's Institute promoted, where I came from in  
16 Ontario and I was able to eliminate drunkenness, carelessness  
17 and very little need for medicare. One of the nurses asked  
18 me how I did it, so I told her that all I did was threaten  
19 to roll these young girls in the mud and take the whip to them  
20 if they wouldn't get out and help parents cut line timbers.  
21 So she told me that I must be crazy, but the Bible says, "As  
22 she has glorified herself and lived wantonly so much, give her  
23 double penance." Don't just throw her in the mud, take the foot  
24 to her, too.

25 Discipline is the main factor in  
26 controlling people - I don't care where you go and



1 a great many people are inclined to downgrade the system they  
2 have in Germany and Russia, but perhaps we're going to have to  
3 accept that in order to keep things in order.

4 MR. CHAIRMAN: Thank you, Mr.  
5 Armstrong. Can I ask now if there is anyone else is ready  
6 with either a statement or a question?

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1 KEN CROCKER, Sworn;

2 MR. CROCKER: My name is Ken  
3 Crocker and I have a question that is based on hypothetical  
4 information now I guess. Notwithstanding some of the  
5 statements that have been made by some of the politicians  
6 that have visited the Yukon just recently, but just in  
7 passing, if we assume that the pipeline goes ahead, I heard  
8 an interesting statement this afternoon by the Chamber  
9 of Commerce that another seminar is going on this City,  
10 concluding today.

11 With respect to the building of  
12 perhaps a massive hydro electric project that could in  
13 fact, power the compressors for the transportation of the  
14 gas, does Foothills have any contingency plan -- or any  
15 plans at all with this in mind?

16 MR. BURRELL: Well, the design  
17 of our compressor stations contemplate the use of gas  
18 turbines, gas turbine prime movers, the same engines as  
19 you would see on the CP Air airplanes, the type similar  
20 to that.

21 Now, as far as the use of electrical  
22 power is concerned, we have said that we would be prepared  
23 to put into our design, the facilities necessary which  
24 would allow us to convert over to electric motor drive at  
25 some time down the road when the power was available -- if  
26 the power was available and if it was available, at terms



1 which would make it realistic to do that.

2 Now, that's the extent of what we  
3 have looked at, certainly in our initial design and in our  
4 plans to go forward if we use gas turbines.

5 MR. CROCKER: Along that same  
6 line, using the gas turbines and the gas that it uses, it  
7 comes from the pipeline itself.

8 MR. BURRELL: That's correct.

9 MR. CROCKER: And the gas  
10 belonging to the United States and it would be their cost  
11 of -- that would be calculated in the price of the trans-  
12 mission of the gas. The capital installation of the com-  
13 pressor station itself would be Foothills or what have you  
14 or whatever other company is involved, but the gas that  
15 would come out of the pipeline would be their loss and not  
16 your cost in the transmission of that gas. Is that correct?

17 MR. BURRELL: Gas would be  
18 utilized from the pipeline to power the turbines, that's  
19 correct.

20 MR. CROCKER: Well, yes, that is  
21 true, but the cost of the gas -- that gas which you take  
22 out of the pipeline would not be assessed to Foothills as  
23 such, it would be just a cost of transportation of that  
24 gas. Is that true?

25 MR. BURRELL: That is right.

26 MR. CROCKER: Well, then it would



1 probably never be feasible for you then to use electric  
2 motors to drive your compressors, if that gas in fact would  
3 be free for the taking in order to compress the gas to  
4 transport it down the highway or down any system.

5 MR. BURRELL: That isn't  
6 necessarily so because the gas which is not burned in the  
7 turbines could be sold in the marketplace, so from that  
8 standpoint, it would have a value. It has a value.

9 The thing with the pipeline using  
10 electric motor drive -- if it was deemed in the interest  
11 of the Yukon to move forward with an electrical development,  
12 whether it be hydro or thermal or whatever, and I think  
13 this is a matter that has to be in the best interest of  
14 Yukon. The pipeline does offer a large baseload which would  
15 enable the development of a fairly substantial electrical  
16 development, so from that standpoint, the pipeline would  
17 have -- would present an advantage to the development of  
18 electricity if, in fact, that development took place.

19 Of course, the development of an  
20 electrical supply would probably lead to other advantages  
21 of the Yukon. I don't know. You could look at exported  
22 power or stabilized power rates, but here again I'm saying,  
23 that we are using natural gas for powering our facilities.  
24 We're saying that we would be prepared to put into our  
25 design, those facilities which would allow conversion to  
26 electric motor drive at some time down the road when the



1 power was available and that's about the position that we  
2 have on it.

3 MR. CROCKER: Yes, well, that's  
4 refreshing. I -- as I understand the gas reserves in the  
5 Prudhoe Bay area are somewhere in the order of 20 to 25  
6 years, is this correct?

7 MR. BURRELL: Given the present  
8 design throughput of our system, we're talking somewhere  
9 in the neighbourhood of 28, 29 years, as the reserve life  
10 of those facilities, gas volumes -- gas supply.

11 MR. CROCKER: Then perhaps a  
12 development of a hydro project need not be in too big a  
13 rush. We could have a substantial period of time to  
14 look at it and if it did come on stream, if it was approved,  
15 a significantly large enough power project, that Alberta --  
16 or Foothills would utilize that power and when the pipeline  
17 folds we would have that power for other development  
18 in the territory.

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1 MR. BURRELL: The possibility exists  
2 that the pipeline would provide a large base load which would  
3 justify the installation of a large hydro facility, rather  
4 than smaller ones. Here again, it would have to be -- power  
5 would have to be available to make it a good business  
6 undertaking for Foothills and heré again, it would have to  
7 be available if it was in the best interests of the Yukon.

8 MR. CROCKER: In your proposal, in  
9 your formal proposal, have you in fact petitioned any of  
10 the regulatory bodies with regards to the possibility of  
11 Yukon developing a hydro electric power to be utilized by  
12 your Company, such as Kaiser has done in their petition?

13 MR. BURRELL: Mr. Blair in his testimony  
14 before the National Energy Board stated that Foothills would  
15 be prepared to build into it's design those facilities which  
16 would allow a conversion to electric motor drive at a later  
17 date when electrical power became available, and it was a  
18 good business undertaking for us.

19 So, in a sense we have made that  
20 commitment.

21 MR. CROCKER: All right. One last  
22 point that I would make. I would assume -- I haven't been  
23 attending the hearings, but I assume that you would agree  
24 that gas turbines expell a considerable amount of heat. They  
25 also expell noise and gas pollutants into the air, and I  
26 would suggest that perhaps in order to reduce the effects



1 on our environment here in the Yukon that you would look very  
2 kindly, or be in fact pushing for a hydro electric source  
3 so that these pollutants and noise and other associated  
4 environment impacts, that these sorts of turbines create.  
5 Do you not think that that might be a position you should  
6 posture just a little more strongly that just merely  
7 suggesting that that would be a possibility of hooking up  
8 if in fact the hydro was available?

9 MR. BURRELL: Well, certainly there  
10 would be advantages. The advantages that you mentioned to  
11 using electric motor drive. At this point in time it  
12 appears to us that the power requirements that our pipeline  
13 would have, the electrical requirements that our pipeline  
14 would have are just not available, and it would be necessary  
15 for us in the initial installation in any case to go ahead  
16 and put in gas turbines. What we're saying though is that  
17 the option is there to provide the Yukon with the base load  
18 power requirement that would enable the Yukon to have a  
19 development of a large hydro -- not hydro, or necessarily  
20 hydro, but hydro or thermal plant and with all the side  
21 benefits that would bring.

22 If it involved the export of power,  
23 of course, additional funds coming into the Yukon or  
24 stabilize power rates. We're just saying that we're prepared  
25 to go that far if the development of power, in the overall  
26 seems to be an advantage to the Yukon.



1 MR. CROCKER: Pardon me for pushing  
2 you on this point --

3 MR. BURRELL: That's fine.

4 MR. CROCKER: -- but I would again  
5 like to repeat, if Foothills is indeed cognizant of the  
6 noise factors, pollution and so on that compressor stations  
7 would create in the immediate vicinity, and with winds  
8 being what they are, drift everywhere, that they should  
9 perhaps consider very seriously petitioning a study group  
10 to look into the feasibility or assisting the Territorial  
11 Government in perhaps making up their mind, or the Minister  
12 of Northern Affairs in coming to some conclusion on hydro  
13 electric, because of the spin-off benefits to Yukon, the  
14 pipeline as you freely admit would be redundant after perhaps  
15 25 years. That it would just be sitting there dormant.

16 There is a possibility of backfeed  
17 of course, but we can't bank on that, but we can bank on  
18 a renewable resource if it's hydro electric.

19 Do you not think that perhaps that  
20 should be a stronger point in your petition for building  
21 a pipeline?

22 MR. BURRELL: Well, I think really  
23 the building of an electrical facility is really for others  
24 to decide. It's not part of our project, but certainly, as  
25 I said before, the pipeline project offers the opportunity  
26 for the Yukon to have that base load that they need in order



1 to develop a hydro or thermal development, and we would  
2 be prepared to, depending upon the circumstances, but we  
3 would certainly be prepared to convert our turbines to  
4 electric motor drive when that power became available, yes.

5 MR. CROCKER: Okay. Thank you, thank  
6 you.

7 MR. CHAIRMAN: Thank you, Mr. Crocker.  
8 Anyone else have either a question or a statement at this  
9 time? Yes, at the back?

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1 MR. SPRAGUE: My name is Mark  
2 Sprague, I live in Whitehorse and I was curious to know whether  
3 any consideration has been given to holding a plebiscite in the  
4 Yukon to decide whether the people in this Territory want this  
5 pipeline?

6 As you probably know, we are in the middle  
7 of a lot of different developments, proposals, attempts for  
8 provincehood, and many of us who live here and have a hard  
9 enough time getting by day to day as it is, feel that the  
10 added weight of this is just going to put us further behind the  
11 eight ball. Land values up here already are well out of line  
12 if you're trying to buy titled land somewhere. It's more  
13 expensive to get scrub land in the Yukon now than it is to get  
14 reasonably decent grazing land outside and it's going to go up,  
15 I'm sure it's going to go up with added influx and added dollars  
16 coming in. Maybe it's time that we polled everyone in this  
17 Territory.' Is this possible?

18 MR. CHAIRMAN: I take it that ques-  
19 tion is addressed to the Board and I think all I can say  
20 on that is that the suggestion has not emerged in the hearings  
21 that we've had since we started up a week ago, the  
22 Wednesday previous to this. This is the first time the sug-  
23 gestion has been made before us.

24 MR. SPRAGUE: Okay, because they're talk-  
25 ing about the Territories now, they aren't satisfied with the  
26 hearing they had gotten. Maybe it would be, you know, to get



1 a jump on that and just to find out how we feel sometime, per-  
2 haps in July, as the hearings wind down and the people in the  
3 communities are aware, then maybe that would be a good time  
4 to poll everyone and find out just how the people feel, be-  
5 cause we don't - I don't think most people up here feel that  
6 we have much control of our destiny. Federal government tells  
7 us what we're going to do, the Territorial government tells us  
8 what we're going to do and we just sit here and do it.

9 Thank you.

10 MR. CHAIRMAN: Yes, at the back.

11 DR. STEELE: Dr. Peter Steele,  
12 of Whitehorse. I wonder if we could hear from Foothills what  
13 they have projected. I have read their scheme dealing with  
14 the medical problems that are bound to arise with the influx  
15 of a large amount of outside people in the population. In  
16 regard to the facilities that we already have in Whitehorse,  
17 can you tell us how you think you're going to cope with the  
18 problems, both of accidents and pipeline related disease that  
19 is going to come into the Whitehorse area?

20 MR. BURRELL: That matter is dealt  
21 with in our socio-economic statement, which was prepared by  
22 North Group, which is a local consulting firm. What was looked  
23 at was the, and I think first of all, as a background, you have  
24 to look at the policies that we have with respect to the hir-  
25 ing of people in the south and the fact they will be brought  
26 in by air and moved to the camps, so what we have done



1 is -- and these camps will be self-contained. We looked  
2 at the accident statistics on pipelines and then related those  
3 to the number of man hours that were associated with this pipe-  
4 line and came up with an estimated number of accidents that we  
5 would expect to occur and then an estimate of the number of  
6 those accidents which would have to be hospitalized. Then we  
7 had a look at, our consultants did - compared that with the  
8 availability of hospital services in Whitehorse and concluded  
9 that the load that we would put, or could put on White-  
10 horse was within the capability of the Whitehorse facilities.  
11 Now, we don't necessarily have to use the Whitehorse facilities.  
12 We could very well remove the people to the south if it be-  
13 came necessary, but as I recall the work which was done by our  
14 consultants, it indicated that the capacity of the hospital  
15 itself would be capable of taking these additional loads.

16 Now, I guess there's a question of  
17 staff and whether the staff would be capable. That's another  
18 matter and, if it was necessary, it may be necessary to increase  
19 the staff capacity in the hospital, but as far as the physi-  
20 cal capacity, our advice is that it would not exceed that.

21 DR. STEELE: I'm sorry to cor-  
22 rect you, but your figures in fact were wrong, both for the  
23 number of active beds that are available in the hospital --  
24 you gave a figure of 152 and it's 120, and also, the fact is  
25 that although the bed situation in Whitehorse might be suitable,  
26 the bathtub facilities are stretched to the absolute limit at



1 at the moment. X-ray facilities, lab facilities dealing with  
2 infectious diseases, the whole problem of venereal disease,  
3 which is bound to escalate, none of these are more than  
4 merely adequate at the moment although the number of beds  
5 available might be suitable, I don't think that with the influx  
6 that you're going to have, as things stand in Whitehorse  
7 at the moment, that the doctors and nurses could cope.

8 I don't see how you can expect an  
9 influx of large numbers of people that you are estimating to  
10 come, can be dealt with by the numbers of doctors and the medi-  
11 cal personnel in Whitehorse at the moment. What facilities  
12 are you expecting to provide up and down the pipeline for deal-  
13 ing with accidents on the spot? That's one question.

14 Also, how about all the business of  
15 pre-employment medicals? Who is going to cope with the busi-  
16 ness of examining all of these people before they get accepted  
17 and hired by the pipeline?



1 MR. BURRELL: Within the camps  
2 themselves, there will be medical facilities provided which  
3 we are satisfied will handle the bulk of the medical re-  
4 quirements of the construction staff. As far as pre-em-  
5 ployment medicals, there's no reason why they wouldn't be done  
6 in the South.

7 Also, as we have set out our plans  
8 now, we have contemplated that we would have a doctor on  
9 staff who would then direct the activities of the medical  
10 facilities and the people who are employed in those faci-  
11 lities in the camps.

12 DR. STEELE: I see, thank you. Can  
13 you also give us some idea of how you intend to cope with  
14 alcohol-related problems which have been by far the highest  
15 incidence from Alyeska's point of view, both the direct  
16 result of alcohol and the secondary result, the increase  
17 in motor vehicle accidents secondary to the use of alcohol.  
18 I think the facilities within this town are stretched to  
19 their limit at the moment, and I'd like to know how you  
20 intend to cope with <sup>/the</sup> social problems that are likely to arise  
21 with the influx of a lot of hard working pipeline men who  
22 may not be drinking on the job, but as soon as they are  
23 free to relax, they will head straight for the city, and we're  
24 going to have, as far as I can see, an already very severe  
25 problem escalating into one that is quite out of our capacity  
26 to deal with in this community.



1 MR. BURRELL: Well I think that  
2 for one thing our policies are such and the working conditions  
3 we have and the facilities that we intend to provide in the  
4 camps, the lack of casual transportation, self-contained  
5 units camps, recreational facilities, a tavern within the  
6 camp, the long working hours, the 10 to 14 hours a day, 7  
7 days a week, the isolation of the camp from the communities,  
8 will, in our opinion, not --you can't avoid it totally but  
9 we think-- our interpretation is that workers will not  
10 go into the communities to a great degree. I think  
11 that's borne out by the experiences in Alberta and in British  
12 Columbia pipeline construction.

13 DR. STEELE: It may be borne out  
14 in Alberta and British Columbia, it certainly hasn't  
15 by our nearest neighbour pipeline, Alyeska. This  
16 has been a major problem and what you say about men staying  
17 in camps for their recreation has certainly not been borne  
18 out there.

19 MR. BURRELL: I think also that the  
20 people - the work period in Alaska is spread over a longer  
21 period of time, and also, I guess one of the problems --  
22 some of the problems have arisen because one of the very  
23 in fact  
24 large construction camps was/located in Fairbanks and our  
25 intent is to locate the camps outside of town.

26 I think, as we were mentioning  
before, it isn't fair or correct, in our opinion, to make a



1 comparison right across the board with Alyeska because there  
2 are differences, and there are differences that we have  
3 built into our project as a result of the information from  
4 Alyeska and from other construction activities in Canada.

5 Thank you very much

6 MR. CHAIRMAN: Thank you Dr. Steele.

7 All right, anyone else who wishes to do so can come forward  
8 please, with a question or a statement?

9 MR. BURRELL: Mr. Chairman. In  
10 our discussion with -- about the electric motor drives, the  
11 reference was made to noise and pollution on gas turbines, and  
12 I think -- no, I did not address that as I was addressing  
13 more the situation of electric motor drive and the advantage  
14 that I could see.

15 But I think that it would be only  
16 fair, if we could, to give some background on the use of gas  
17 turbines and what experience has been encountered with the  
18 use of gas turbines and in fact they are the prime mover  
19 that are most used in gas transmission. If we may, I'd like  
20 Mr. Deyell to say a few words about the experiences in Trunk  
21 line with the use of gas turbines, if that's acceptable.

22 MR. CHAIRMAN: That would be in order.

23 Mr. Deyell?

24 MR. DEYELL: As you are aware, I'm  
25 with Alberta Gas Trunk Line, and one of my prime responsibi-  
26 lities is the operation of the system. We have in our system in



1 Alberta at the present time, 30 compressor stations, of which  
 2 about, I believe, 21 or 22 are powered by gas turbines.

3 The natural gas that is carried in  
 4 our pipeline is to the same quality as the gas that would  
 5 be carried through this pipeline from Alaska. It is referred  
 6 to as clean gas. It burns clean and to the best of my  
 7 knowledge, there is only one contaminant that concerns people  
 8 in the province of Alberta, and I'm primarily referring to  
 9 Government, and that is NOX , and there are very stringent  
 10 regulations with respect to NOX emission.

11 This is monitored on a regular  
 12 basis and I'm not aware of any of our compressor stations  
 13 being restricted because of this emission. There is no  
 14 colorful substance that comes from the exhaust of these  
 15 turbines. Probably the only, if you can call it detrimental emission  
 16 from the exhaust, is the heat, and there is considerable heat  
 17 that is exhausted to the atmosphere. That is one of the  
 18 operating functions of a gas turbine.

19 We are, in our company, looking at  
 20 many uses for exhaust heat at the present time, hoping to be  
 21 able to collect a lot of that heat and utilize it. We are  
 22 currently designing a heating system for one of our housing  
 23 sites that will use that heat. We are also about to enter  
 •24 into a commercial greenhouse venture which will be heated  
 25 by this exhaust. There is an experimental station in place  
 26 in Saskatchewan at the present time where they do grow tomatoes



1 and they do market them as a superior grade tomato, and we  
2 are to do this, not necessarily through our own company, we  
3 may well employ people who are experts in this field.  
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1 But before the end of this year, we hope to involved with  
2 that kind of thing, so we are looking at the use of that  
3 waste heat. With respect to noise, we also operate to  
4 very stringent regulations to noise emission from the  
5 stations. We have fences around our stations which are  
6 approximately 300 feet from the centre of the station, and  
7 the allowable noise level at that fence is 60 decibels  
8 And 60 decibels is about equivalent to the background noise  
9 in a city.

10 Now, when you get away from this in  
11 the order of about a quarter to a half a mile, there  
12 virtually -- I won't say impossible to hear it, but the  
13 noise level is very low, and so you don't. They are not  
14 really disturbing.

15 We, as an experiment here a year or  
16 two ago, brought some people from the North to one of  
17 our compressor stations outside of Rocky Mountain House.  
18 We stopped them about half a mile from the station around  
19 a bend in the pipeline where they couldn't see what was  
20 ahead of them, and there were two turbines there, they were  
21 both running, and there wasn't anyone that was able to  
22 hear the noise from them. So we will not say that there is  
23 no noise from compressor stations, but generally speaking,  
24 the location of these compressor statons are at, they do  
25 not create a noise that is detrimental to people.

26 Though, I wanted to bring those points



1 out to you that we don't believe that gas turbines are, if  
2 I can use the term, 'dirty' sources of power for our  
3 stations. I would be prepared, Mr. Chairman, if anyone  
4 wishes to ask me any questions on the operation of gas  
5 turbines; I'm prepared to attempt to answer their questions.

6 MR. CHAIRMAN: Is there anyone who  
7 either would care to take Mr. Deyell up on that offer, or  
8 speak to another subject?

9 I had suggested a bit earlier that  
10 10 o'clock would be a good time to close down for the  
11 evening, but there is time for another statement or  
12 question if anyone is so minded.

13 Before, if I may, Mr. Armstrong, before  
14 I take your question, any -- before I invite the second time  
15 around as it were from people who have already spoken.

16 Yes, someone at the back?

17 MR. HEPPLER: My name is Earle Hepple.  
18 I'm not giving a brief, I would like to ask a question of  
19 the gentlemen, Mr. Burrell. Has your Company signed a  
20 union agreement with any unions in regards to the pipeline?

21 MR. BURRELL: No, not as yet. As we  
22 envision it, the agreements would be between the contractors  
23 and the unions, but there are no agreements in connection  
24 with this pipeline.

25 MR. HEPPLER: The agreements that would  
26 be signed between the contractors and the unions --



1 MR. BURRELL; Yes.

2 MR. HEPPLE: -- would they contain  
3 clauses whereby materials, groceries, any particular  
4 products, would they have to be supplied by union corporations  
5 from Yukon, or would they be supplied -- could they be  
6 supplied by people that are, or companies that are non-union?

7 I'm speaking of the sense of in Alaska  
8 where the union contract, I believe, in some cases called  
9 for products had to come from union corporations.

10 MR. BURRELL: I know in our -- when  
11 the time comes to develop an agreement for this project,  
12 we will ask the contractors to negotiate an arrangement for  
13 us, and in that arrangement we'll, what we will ask him to  
14 negotiate will be an agreement which will include the  
15 terms and conditions, of course, which are set on this  
16 project by the permit and also the policy positions that  
17 the company itself has.

18 Now, that didn't answer the question  
19 that you asked. Maybe -- I don't -- maybe Mr. Deyell knows  
20 the answer to that.

21 MR. DEYELL: As you may be aware, there  
22 is already a master agreement between the Pipeline Contractors  
23 Association of Canada and the various unions that are involved  
24 and that embraces the Northwest Territories and the Yukon  
25 as well as the remainder of Canada.

26 To the best of my knowledge, there is



1 nothing in those agreements which refers to that requirement  
2 that there has to be union suppliers to union contractors.

3 MR. HEPPLE: Very good. I would  
4 request that the Inquiry, though, does keep an eye on this  
5 particular point, so that people are protected in the Yukon,  
6 and especially in the smaller communities where they are  
7 not dealing, especially in the small establishments along  
8 the Highway.

9 Thank you.

10 MR. CHAIRMAN: Anyone else who has  
11 not had an opportunity to make a statement or ask a question?

12 Let me remind you again, if I can,  
13 that the second round of community hearings will commence  
14 here in the Whitehorse area on Monday the 27th of June. I  
15 say the Whitehorse area, because some of those hearings  
16 will be in Porter Creek, and in Kishwoot Hall, and perhaps  
17 if you have no objection, Mr. Armstrong, I'll suggest that  
18 your supplementary, if I can so describe it, your  
19 additional statement might be held off to be given at one  
20 of the subsequent hearings.

21 MR. ARMSTRONG: I was just going to  
22 ask a question could the army build the pipeline?

23 MR. DEYELL: Well, I don't believe  
24 the army has the expertise to build a pipeline, Mr. Chairman.

25 MR. CHAIRMAN: Well, ladies and  
26 gentlemen, if I may then, I'd like to thank you once again



1 very sincerely for coming out this evening to give us your  
2 views on the proposed pipeline project, and we now stand  
3 adjourned.

4 (PROCEEDINGS ADJOURNED)

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343.093 Alaska Highway  
A47F58 Pipeline Inquiry  
Vol.7

DATE

May 18, 1977 Vol. 7

FILE

Community hearings

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GOVT PUBLS

ALASKA HIGHWAY PIPELINE INQUIRY

IN THE MATTER OF AN APPLICATION BY FOOTHILLS PIPE LINES  
(YUKON) LTD. TO THE MINISTER OF INDIAN AFFAIRS AND  
NORTHERN DEVELOPMENT FOR A GRANT OF THOSE INTERESTS IN  
THOSE AREAS OF TERRITORIAL LANDS IN THE YUKON TERRITORY  
AS MAY BE NECESSARY FOR THE CONSTRUCTION AND OPERATION  
OF THE SAID NATURAL GAS PIPELINE AND THE WORKS AND  
FACILITIES CONNECTED THEREWITH AND INCIDENTAL THERETO,

AND

IN THE MATTER OF A BOARD OF INQUIRY ON THE SOCIO-ECONOMIC  
ASPECTS OF AN ALASKA HIGHWAY GAS PIPELINE.

BEFORE THE BOARD

K.M. LYSYK, Esq., Q.C.

CHAIRMAN

WILLARD PHELPS, Esq., MEMBER

MRS EDITH BOHMER, MEMBER

PROCEEDINGS

VOLUME 3

WHITEHORSE, Y.T.

May 19 1977



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A. Hollingworth, Esq.	Appearing for Foothills Pipe
R. Hudson, Esq.	Lines (Yukon) Ltd.
R. Mackie, Esq.	
J. Marshall, Esq.	Appearing for Canadian Arctic
D. Gibson, Esq.	Gas Pipe Line Limited
K. Taves, Esq.	
D. Joe, Esq.	Appearing for Council for
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G. Ellis, Esq.	Appearing for Yukon Trans-
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D. Morrison, Esq.	Appearing for the Whitehorse
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Ione Christensen	Appearing for the Association
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	City of Whitehorse
Sid Horton, Esq.	Appearing for the Yukon
Al Wright, Esq.	Territorial Government
Hector McKenzie, Esq.	Appearing for the Yukon
Rob McCandless, Esq.	Conservation Society
John Bayly	
Carson Templeton, Esq.	Alaska Highway Pipeline Panel
Ms McPherson	Yukon Association of Social
	Workers
Irwin Armstrong, Esq.	

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1 Whitehorse, Yukon Territory

2 May 19th, 1977

3 (PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

4 MR. GOUDGE: Mr. Chairman and Members  
5 of the Board, if you are prepared to resume, before we  
6 continue the cross-examination of this panel, Mr. Hudson  
7 indicated to me that Mr. Deyell might wish to say something.

8 MR. DEYELL: Mr. Chairman, on page  
9 1129 of the transcript, on line 16, there should be a period  
10 after the word "Alberta" and the word "insofar" is the first  
11 word in the next sentence.

12 MR. CHAIRMAN: Let me get that, if I  
13 may, Mr. Deyell, you're looking at the passage that begins  
14 with the words "there is no annual payment"?

15 MR. DEYELL: Yes, on Line 16.

16 MR. CHAIRMAN: All right. "It is  
17 paid by the Province of Alberta." and then the next sentence  
18 starts with the word 'Insofar'.

19 MR. DEYELL: Yes, that would change  
20 the complete meaning of that if it was made one sentence.  
21 Now, I'd like to also point out another thing for clarification.  
22 With respect to the first two sentences, I was referring to  
23 the payment for easements on Crown land only. That we would  
24 pay for easements on free-hold land, to the individual  
25 land owners.

26 That's all I have on that, Mr. Chairman.



1 MR. CHAIRMAN: Thank you Mr. Deyell.  
2 And that was the only matter Mr. Hudson.  
3 Mr. Goudge?

4 MR. GOUDGE: Sir, we slipped yesterday,  
5 because of me into a rather loose habit of permitting Counsel  
6 to have a second kick at the can. What I propose, subject  
7 to your leave, sir, is to see if we can finish off this  
8 panel in that relatively inefficient way, and as we move  
9 along, tighten up so that each Counsel gets one kick at the  
10 can.

11 But to be fair, it seems to me that  
12 since this can has been divided up to some degree, that we  
13 conclude it with the process that we followed yesterday, if  
14 that suits you sir?

15 MR. CHAIRMAN: I don't hear any  
16 crys of protest, and we've identified the can, so maybe we  
17 might now proceed.

18 MR. GOUDGE: In that connection, sir,  
19 Mr. Bayly indicated to me that he had one or two additional  
20 questions.

21 JACK SAKER: Resumed

22 JOHN BURRELL: Resumed

23 WILLIAM J. DEYELL: Resumed

24 CROSS-EXAMINATION BY MR. BAYLY:

25 MR. BAYLY: As long as we have identified  
26 the kicker --



1                   This question actually arose as a  
2 result of some information given last night at the Community  
3 Hearing, and it may be something that you can't answer right  
4 now but could clarify for us at a later stage.

5                   The impression was left at the Community  
6 Hearing that the compressor stations are as harmless a part  
7 of the operation as there can be, and I would like to ask  
8 you about lubricants and coolants that may be used in the  
9 compressor station process. Questions were asked of Foothills  
10 at the Mackenzie Valley Pipeline Inquiry with regard to  
11 lubricants and coolants, and they were asked of Mr. Lazerte  
12 at Volume 63 of the transcript of that Inquiry at page 9058.

13                   I'll ask you this question again and  
14 perhaps you could confirm that this is the case. The  
15 question was, "Is it not true that there are various kinds of  
16 substances used in the compressor stations that, if they  
17 were not handled properly might cause a great deal of  
18 environmental problem if they were allowed to escape." The  
19 answer given was "Correct."

20                   A supplementary question, "I understand  
21 there is a liquid that is used, I believe, as a lubricant  
22 and that this was a dangerous substance and I wondered what  
23 plans were being taken to ensure that this was not mishandled?"

24

25

26



Saker, Burrell, Devell  
Cr Ex by Bayly

1                                Skipping a question here, the  
2        answer was, "I'm inferring here, we are discussing a lube  
3        oil or a seal oil possibly with some additives. I think  
4        that is what we are getting at here." Could any members of  
5        the Panel confirm that there are in fact, toxic substances  
6        which are used as coolants and lubricating oils in compressor  
7        stations?

8                                MR. DEVELL:        Yes, I can confirm  
9        that, Mr. Bayly. With respect to lubricants, I'm not aware  
10       of any coolants that create a problem, but there are  
11       lubricants that can and they can do this only, in my estimation,  
12       when you have really rather inadequate design of compressor  
13       station facilities.

14                               Back a number of years ago, it is  
15       true that some compressor stations were designed in such  
16       a way that with an upset and a failure in the lubricating  
17       system, that some of these lubricants could get out into  
18       -- onto the ground and perhaps into drainage systems. All  
19       of our compressor stations,       in Alberta I'm referring to  
20       now, have been redesigned -- those ones that were put in  
21       many years ago and we now have facilities where these  
22       lubricants cannot get out, that the drainage system in the  
23       compressor station is enclosed and it drains into sumps  
24       which are adjacent to the buildings themselves.

25                               These sumps are designed to -- for  
26       something in the order of double the capacity of -- or



1 double the volume of any lubricants that are used, so we  
2 have not encountered any problems with lubricants getting  
3 away from us since that time and I believe it is really a  
4 matter of the proper and adequate design of the system itself.

5 Q I understand that some  
6 of these lubricants are sent back to the manufacturers when  
7 they have been used and then they are reprocessed. Can you  
8 confirm that?

9 A Yes, that is correct,  
10 there is a life for the different lubricants and I can't  
11 give you offhand, what the hourly life of the lubricants  
12 are but we extract them from the compressor stations, put  
13 them in barrels and ship them back to the manufacturer and  
14 they're reworked to take out any contaminants that might be  
15 in them.

16 Q So the concern of the  
17 company might be in the transportation of these more than in  
18 the storage and use of them on the compressor station sites?

19 A I suppose there is an  
20 element of concern there, Mr. Bavly. We have never experienced  
21 that problem and we've sent back I guess, many many hundreds  
22 of barrels of lubricant that has been shipped. I guess it  
23 is fair to say they'd be shipped by truck from the compressor  
24 stations. I'm not sure how far they go by truck but we've  
25 never run into a problem with shipping of any of them.

26 Q And these substances, I



1 gather, can't be -- you can't determine exactly what the  
2 substance is going to be until the manufacturer and the  
3 company agree as to what is the proper lubricant for the  
4 design of the compressor station components?

5 A Well, that is correct.  
6 The different manufacturers of turbine equipment have their  
7 own preference for the lubricant they use. In latter years,  
8 though, there has been a movement towards a mineral based  
9 lubricant that is non-toxic and I'm not just sure where we  
10 are with that at the present time but I believe they've made  
11 great strides towards eliminating some of the older lubri-  
12 cants that we had that were more that way.

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1 Q Will Foothills be attempt-  
2 ting to employ a design of the compressor station turbine  
3 that can use a non-toxic or less toxic lubricant?

4 A Yes, that would be  
5 normal practice for anyone today designing a compressor  
6 station, and Foothills will definitely be using that.

7 Q And would you be able to  
8 supply a list of the possible substances used as lubricants  
9 and toxicity to people, to animals and to plants and envi-  
10 ronment?

11 A Yes, that information is  
12 readily available.

13 Q If you could supply that  
14 I'd be grateful. Those are all the questions I have in this  
15 area. Thank you very much

16 MR GOUDGE: Mr. Taves indicated,  
17 sir, that he has one or two questions -- Canadian Arctic Gas.  
18 CROSS EXAMINATION BY MR. TAVES

19 MR. TAVES: Mr. Deyell, yesterday,  
20 your testimony at page 1060, you have the transcript before  
21 you?

22 MR. DEYELL: No I haven't.

23 Q I might perhaps read  
24 it to you to refresh your memory. The question was dealing  
25 with the moving of pipe and things and the problems of dust, et cetera.  
26 The question was asked, "I take it, sir, that this would help



1 everybody but the tourists who are coming a short distance from  
2 the road." The previous question you had answered to the effect  
3 that you would schedule truck traffic at night whenever  
4 possible. Then the answer to the question I just read was  
5 "Well, if you could just wait for a second, Mr. Farley, I have  
6 some answers to that problem too." And this went on but I'll  
7 go on in sequence here."

8 "The second thing I had in mind  
9 that with the Alaska Highway, the type of highway it is, the  
10 hauling of pine which is a large material that will be hauled  
11 here and go on year round, and will go on year round,  
12 will be hauled in here throughout the year, and I believe  
13 that the traffic in roughly 8 to 9 months of the year, is  
14 somewhat less than it is during the summer. So that by  
15 scheduling very heavy movement of pine during the winter months  
16 this would help alleviate or balance the traffic.

17 "The rest of your answer is not  
18 relevant to my question.

19 "A quick survey of the map in the  
20 Trinac Report indicates to me that approximately 200,000 tons  
21 are planned to be moved in summer, and about 25,000 tons in winter.  
22 Do you plan to alter that, or is that what you had in mind?

23 "A "Well, I was speaking  
24 directly as to what Ecotill's would do. I think if you want  
25 to go back to the beginning of the answer I was offering to you,  
26 things that could be done to alleviate this problem, not on



1 than saying this is exactly what Foothills has in their plan.  
2 Now, I see -- in my own mind, I see where Foothills --  
3 judging from what you've just said with respect to Trimac,  
4 that there needs to be some rescheduling of the traffic to  
5 balance it out.

6 And I'm quite sure that when cons-  
7 truction starts, that sort of thing would happen.

8 MR. TAVES: Thank you. That's all the  
9 questions I have.

10 MR. GOUDGE: Lastly, sir, I  
11 wonder if there are any members of the public who have  
12 questions, questions, as opposed to statements to put to this panel?  
13 -- Neither of them have, sir.

14 Then, I have a few questions, if I  
15 might, gentlemen. Mr. Burrell, let me begin with you.

16 CROSS EXAMINATION BY MR. GOUDGE:

17 Q On Page 2 of your evidence, you deal  
18 with, to some degree, your methodology. As I unders-  
19 tand it, one of the things upon which you rely is, as you  
20 recite at the top of page 2, the experience of Westcoast  
21 and AGTI, regarding certain matters, including the use of local  
22 business, local hire and the effect of construction on nearby  
23 communities.

24 I wonder whether any of that expe-  
25 rience has been put in the form of studies?

26



1 If I might put it this way, a kind of antidotal or subjective  
2 experience that you rely on.

3 MR. BURRELL: Perhaps Mr. Deyell  
4 could speak to that. As far as Trunk Line is concerned, West-  
5 coast, Mr. Littledale, when he was here last week spoke about  
6 such items as they occurred in the Westcoast system, particularly  
7 around Fort Nelson. Whether those are documented, I am not in  
8 a position to say now. I don't know but perhaps Mr. Deyell  
9 could speak about the Trunk Line situation.

10 MR. DEYELL: I have to confess, Mr.  
11 Goudge, my mind was wandering and I wonder if you would repeat  
12 that question. It went right past me.

13 Q Very simply, Mr. Deyell, I  
14 am concerned to know whether Trunk Line has any studies concern-  
15 ing its experience regarding the use of local business, matters  
16 of local hire and the effect of pipeline construction on near-  
17 by communities.

18 A As far as actual studies go,  
19 I am not aware of any that I could produce that have been prepared  
20 that way. We examine this in our own shop from time to time,  
21 is the effect of what we are doing. Our policy with respect to  
22 local purchases has been documented, I believe, elsewhere in  
23 this hearing, although it may not be. I will repeat it anyway  
24 in case it isn't.

25 We have as liberal a policy as we  
26 believe that we could have with respect to local purchase.



1 As long as we are able to receive competitive bids and that  
2 would be the only restriction we would have with the purchasing  
3 of things in the outlying areas. It is somewhat difficult for  
4 anything to do with the high pressure elements of the pipeline  
5 system. There isn't the sufficient business to have it develop  
6 in the communities, but we do have, with respect to automo-  
7 biles, various accessories that go with them, certain types of  
8 equipment like farm equipment that we use for maintaining rights-  
9 of-ways. Those become local purchases. I am thinking of  
10 farm tractors and that sort of stuff.

11 All of the bits and pieces that are  
12 required on an ongoing basis with respect to cleaning equipment  
13 and local supplies, they are all purchased in the communities.  
14 We try to avoid, deliberately, buying in bulk in the cities of  
15 Calgary and Edmonton because we believe, although there is  
16 some saving doing it that way, by the time we haul it out there,  
17 it really 'doesn't pay off and there is far more benefit to the  
18 company as a whole, buying those pieces that can be bought in  
19 the outlying areas.

20 With respect to local hire, whenever  
21 we move into a new area, we do attempt to hire people locally  
22 that are qualified for the jobs that are available.

23 Usually when we move into a new area,  
24 the types of jobs that are available do not require the skills  
25 that are required later on when we start to build more sophistic-  
26 ated equipment. I am thinking here now that when we first go



1 into an area, it is usually in building a lateral to a new  
2 gas field and in all likelihood it is an operator<sup>or</sup> a maintenance  
3 man that is required so we can hire them locally. The great  
4 advantage to hiring locally, as a general rule, they have  
5 their residence there and we don't have to move people in and  
6 bear the cost of moving them in.

7 They are familiar with the area and  
8 the people in it and that goes for good community relations  
9 so that generally speaking, that happens. We have found that  
10 those people, in their efforts to advance in the world, if I  
11 could put it that way do get into various training programs  
12 that we have and eventually lead themselves into the technician  
13 role through through the apprenticeship program or otherwise.



1 So that covers that type of thing. With respect to the  
2 small contractors, who are set up in these areas, we have  
3 used them reasonably extensively for certain types of  
4 maintenance. Snowplowing is one thing that on our roads that  
5 need sporadic snow plowing and in the summer those that need  
6 sporadic maintenance such as grading, we will hire a local  
7 entrepreneur to do that.

8 There are other types of things. One  
9 that comes to mind is the drilling of water wells, and we  
10 do quite a bit of that. We'll look for a small contractor  
11 in the area, rather than to work out of the Cities of  
12 Edmonton or Calgary.

13 There are number of these, but those  
14 are some of the ones that come to mind.

15 Q Thank you Mr. Deyell.  
16 That is helpful and is the kind of, I take it you would agree  
17 Mr. Burrell, the kind of comment that Mr. Littledale was  
18 able to give us last week in connection with Westcoast.

19 MR. BURRELL: Yes, it is.  
20 Q I'd be grateful if you would perhaps  
21 enquire of Mr. Littledale as to whether any of that kind of  
22 experience is put into a study form. I understand the  
23 relevance and utility of the kind of experience that Mr. Deyell  
24 and Mr. Littledale have given us. It would assist us in  
25 gathering any kind of formal data base, if there are in  
26 study form, matters of this kind.

MR. BURRELL: Yes, we'll be pleased to







1 do that.

2 Q Then, sir, on page 3 of your  
3 evidence, you get into more detail as to your methodology,  
4 and your break it down into three parts, I take it a, b, and  
5 c, under question 6. Is that right? And the first part a  
6 is your assembly of a description of the current and past  
7 socio-economic trends of the area, and I take it that task  
8 is an ongoing task from your point of view. Is it? Or is  
9 it one that you feel you have completed?

10 A I think as we find more  
11 information that would be applicable to our project, it  
12 would be ongoing from that sense.

13 Q I wonder if you found in  
14 performing this task of assembly whether there are any  
15 substantial gaps in the information available to you to  
16 describe the current and past socio-economic trends of the  
17 area?

18 A We retained a local consulting  
19 firm, North Group, which is comprised of people resident in  
20 Whitehorse. They did this work for us. I'm not certain as  
21 to what the extent would be in response to your question.

22 Unfortunately, Mr. Ellwood, who is  
23 directly involved with the preparation of this on a day to  
24 day basis would be more in a position to explain that detail  
25 than I would be able to, but what I will do is undertake to  
26 look into this question and give you the answer.



1 Q We would be pleased, I think,  
2 to receive from Ellwood his views in writing if necessary, if  
3 he has any that would be of assistance to us. Let me suggest  
4 in particular to you, Mr. Burrell, something arising out of  
5 Mr. Templeton's evidence.

6 I take it you were here when he gave  
7 evidence?

8 A For most of the time. There  
9 was some period of time when I wasn't in the hall.

10 Q He said, at page 927 of the  
11 transcript, among other places, that he identified certain  
12 areas of data collection which he felt were deficient,  
13 including the identification, for example, of native culture  
14 and native aspirations, the use of country food. Do you  
15 recall that? Do you recall him saying that?

16 A Not specifically, but I could  
17 agree that in those areas there would be more information  
18 required. One thing that came to mind in respect to your  
19 other question was that the availability of labour force in  
20 the small communities is one area which hasn't been properly  
21 documented. The information that I have been told,  
22 and an area in which additional information would be required.

23 That came to mind as I was --

24 Q I was coming to that.

25 Let me ask the general question, and  
26 ask you perhaps to confer with Mr. Ellwood, I would be very



1 interested in knowing any additional areas that you feel the  
2 Company must examine, research in order to provide further  
3 data, should the project be given a decision in principle.

4 A As we have said before, certainly  
5 all the information that is required is not available and we  
6 have had discussions with Mr. Wright who is the pipeline  
7 co-ordinator for the Yukon Government, and they had made an  
8 application to the Treasury Board for funding to determine  
9 or to cover studies which they were proposing to undertake.

10 We were to get together with Mr. Wright  
11 when that funding was available to determine what studies  
12 they were undertaking and then to determine what additional  
13 studies should be required, and then from that plan the  
14 additional work which we would have to undertake.

15 The last time I spoke to Mr. Wright,  
16 he had not received that funding and he was suggesting that  
17 such a discussion not take place until that matter was in place.

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Saker, Burrell, Devell  
Cr Ex by Goudge

1 Q I wonder, Mr. Burrell, if  
2 in any case, you could give us your best thinking at the  
3 moment after conferring with Mr. Ellwood as to the course  
4 you see your research gathering to take from here on.

5 A Yes, I will confer with  
6 Mr. Ellwood and with the North group who prepared this  
7 document to get their thoughts on that matter.

8 Q And just to direct it  
9 a little further, I take it you would contemplate carrying  
10 on matters of further research under categories A, B and C  
11 that you refer to on Page 3 of your evidence. Each of those  
12 categories have matters within them that require further  
13 study, I take it you'd agree?

14 A Yes.

15 Q And so in responding,  
16 perhaps you could advise as to the further studies in each  
17 of those areas that you would propose?

18 A As we see them now and I  
19 must add, that as the project advances, I'm sure that there  
20 will be other areas identified that have to be looked at  
21 but at this point in time, we would be prepared to do that.

22 Q Yes, we obviously can  
23 only ask for your best information at the present.

24 A Yes.

25 Q Now, Mr. Burrell, let me  
26 ask you to turn briefly to Volume 5A of the Application.



1 At Page 5.0 where a rather more detailed outline of the  
2 methodology of your impact assessment is set out, -- do you  
3 have that in front of you sir?

4 A Page reference again is --

5 Q Yes, 5(a) - 5.1 as Mr.  
6 Hudson says. 5.0 says impact and there is nothing under  
7 it. 5.1 is introduction.

8 A That is the overall  
9 category, I think.

10 Q Yes, I understand.

11 Over the page, Mr. Burrell, you  
12 get into this business of minimum project demand.

13 A Yes.

14 Q And I'd like to explore  
15 that a little with you. Can you describe for me, what you  
16 mean when you use that term -- minimum project demand.

17 A It is the minimum project  
18 demand as it relates to Yukon itself and we refer to it  
19 here as building the pipeline and operating it on what you  
20 might call a parachute operations. In other words, bringing  
21 in from the outside, all the goods and services that we  
22 possibly could, including the manpower requirements, but  
23 even so, there would be a certain amount of resources  
24 within the Yukon that would be required such as gravel  
25 supply, use of roads, campsite locations and so on that you  
26 just could not avoid if you were going to build and operate



1 this system.

2 That is what we mean by minimum  
3 project demand -- the absolute minimum use of the resources  
4 within the Yukon.

5 Q I take it you'd agree  
6 though that in trying to estimate the impact that this  
7 project will have, it would not be safe to analyze it on  
8 the basis of minimum project demand?

9 A Yes and we say that in  
10 the document. We say that the more proper way to do it  
11 is the -- we call it the possible project demand and I  
12 think it is probably better to call it the most likely. The  
13 other one was shown as an example. We concluded that that  
14 would be unrealistic, given the discussions that we've had  
15 with our local people and the desires that have been expressed  
16 to us for employment and business opportunities.

17 So realistically, the possible  
18 project demand is the one that should be looked at.

19 Q Yes and I take it -- the  
20 view with which you've approached the assessment we have in  
21 Volume 5/A is not minimum project demand, is that correct?

22 A That is correct.

23 Q Now, the approach that  
24 should be used I take it, which you've referred to as  
25 possible project demand, would have to take into account,  
26 things like local employment?



Saker, Burrell, Devell  
Cr Ex by Goudge

1 A Yes it would.

2 Q And in-migration?

3 A Yes.

4 Q And secondary employment  
5 generated?

6 A Yes.

7 Q Transients to the Yukon?

8 A Yes.

9 Q And transients going  
10 through to Alaska?

11 A Yes.

12 Q And the families that  
13 -- of each of those categories that may accompany them?

14 A Yes, any of the factors  
15 that would -- could or would possibly result from the  
16 approach to constructing and operating the project on the  
17 basis that we refer to as possible project demand.

18 Q Yes. Now, on Page 4 of  
19 your evidence, you refer to your Community Liaison Program.

20 A Yes sir.

21 Q When do you contemplate  
22 that commencing?

23

24

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26



1                   A           Well, we have a community  
2 liaison program going now, Mr. Goudge. As we said earlier  
3 in the evidence, Mr. Ellwood and myself and others have  
4 been visiting the communities. In some cases we have been  
5 three or four times, three for sure, and others two, and we  
6 have gone in and explained in a public meeting what the  
7 project is initially, and then more recently we have gone  
8 back with models and photographs of facilities that would  
9 be similar to those being built in Yukon if the project  
10 goes ahead.

11                   Mr. Blair has been up here having  
12 discussions with people, and Mr. Gibson, our Chairman of  
13 the Board, has been here, and of course we have had discussions  
14 in Whitehorse with a number of groups and individuals about  
15 our project.

16                   Now, that's where we are now and will  
17 continue that. If we are fortunate to get the permit, then  
18 we would intend to expand it into more of the program which  
19 we have outlined in response to question 8, and that would be  
20 to locate Company representatives in the various communities  
21 that would be impacted by the project.

22                   We feel that it would be premature at  
23 this time to go to that extent without having a permit and  
24 something more concrete to discuss. We feel that the approach  
25 that we have used where Mr. Ellwood and myself and others go  
26 into the communities periodically and speak to the people and



1 respond to questions that people are asking of us, is  
2 appropriate at this time.

3 Q I take it, though, once  
4 approval in principle was obtained, you would begin to  
5 place Company representatives in each of the communities?

6 A Yes, sir.

7 Q And acquire land for that  
8 purpose and so on.

9 A Yes, we could then begin to  
10 talk more meaningful about the facilities in which we would  
11 be locating in the various communities, and  
12 employment opportunities and so on, yes.

13 Q And that process, I take it  
14 would accelerate considerably from where it is now once  
15 approval in principle is granted?

16 A Yes, sir.

17 Q And what would it entail, Mr.  
18 Burrell, apart from placing community or Company representatives  
19 in each community? Can you sketch in in any more detail,  
20 what it would mean for the communities immediately following  
21 a decision in principle? Would you estimate one Company  
22 representative in each community?

23 A I think initially, perhaps one.  
24 It would depend. I think if the demand in the communities  
25 were such that it would warrant one, or two, or three people,  
26 or whatever, that's the number of people that we would put in.



1 We would respond to the demand.

2 Q But I take it you would  
3 immediately begin to undertake things like the compilation  
4 of your bidders list and so on.

5 A Well, that will be going on --  
6 the first part of that will be going on, in fact, before the  
7 permit in principle, if you want to call it that, is received.  
8 We intend to move forward with that in the very near future.

9 It would be accelerated, of course, if  
10 we were given the permit.

11 Q As soon as you got your  
12 decision in principle?

13 A Yes. I think we have to be  
14 careful not to -- I think there are many things that we  
15 will be undertaking prior to the permit, but I think the  
16 experience in the N.W.T. has indicated that if one was -- if  
17 you go too far in a certain area, it tends to build up  
18 aspirations and if the project isn't approved, then it  
19 probably does more harm in some cases than probably doing it  
20 on, if you want to call it the low-key basis initially,  
21 and then expanding when the permit is in hand.

22 Q So your basic approach would  
23 be to have a relatively low profile until decision in  
24 principle, and then to step up, very markedly, your involvement  
25 with the communities?

26 A Yes, for the reasons I am



1 mentioning. But certainly we would be advancing such things  
2 as the bidders list and keeping people informed of what we  
3 are doing. But certainly it would then accelerate when  
4 the permit was awarded.

5 Q Now, Mr. Burrell, one or  
6 two questions on your evidence relating to gas supplies to  
7 communities.

8 A Yes?

9 Q I take it there is no need  
10 to process the gas, taking it from the main line to the  
11 distribution system?

12 A No, the gas which is in the  
13 pipeline is commercial quality gas, it's the gas which will  
14 be burned in the furnaces in the southern part of the  
15 continent.

16 Q All I have to do is put an  
17 odor in it?

18 A That's correct, yes.

19 Q And decompress it?

20 A Yes, that's standard practice  
21 regardless of where the gas would be taken off. Any gas  
22 that is taken off from the Alberta Gas Trunk Line or  
23 TransCanada for instance, is taken off from the main line at  
24 the main line pressure, reduced in pressure, to a pressure that  
25 is suitable for use by the appliances that are put in  
26 the household, and in addition there is an odor added as



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1 safety feature in case a leak occurs in the piping, so that  
2 it can be quickly identified and repairs made as required.  
3 A very standard practice.  
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1 Q Who is responsible for the  
2 decompression, the distribution company or the transmission  
3 company?

4 A It would be on the lateral  
5 system so in this case, it would be the distribution system,  
6 which is not an uncommon practice either. It is, for in-  
7 stance in Calgary, the regulation is done by Canadian  
8 Western Natural Gas and they do it at the communities in  
9 Alberta which receives gas supply from the Alberta Gas Trunk-  
10 line.

11 Q And you would contemplate  
12 then, a distribution system for each community receiving  
13 gas from the main line, part of -- each of which would be  
14 a decompression facility?

15 A That is correct.

16 Q And have you given any  
17 thought to whether these distribution systems would be owned  
18 on a territory wide basis or on a community-by-community  
19 basis?

20 A No, we really haven't given  
21 any thought to that in our studies. We've assumed that it  
22 -- each community was a separate entity but certainly, the  
23 possibility exists that they could be owned by a single  
24 entity. The possibility also exists that a municipality  
25 could own them, a private company could own a distribution  
26 system within a given community and another one in another



1 community. All these are possibilities.

2 O Yes. Is there an economic  
3 difference as to which of those schemes is used. Let me  
4 suggest it to you and ask you to agree, that if the system  
5 is territory wide, the cost of the distribution system is  
6 borne across the territory. On the other hand, if there  
7 is a municipality-by-municipality distribution system, each  
8 municipality must bear the cost of that system?

9 A Yes, that is correct. I  
10 think if you were to roll in all the costs of distributing  
11 gas for the communities involved and strike a common price  
12 that those communities which -- there is a greater saving  
13 shown for supplying gas in other communities, that that  
14 saving would decrease, whereas in the other communities,  
15 it would -- the savings would increase and you have a  
16 balance.

17 O Well, I approach it very  
18 simplistically perhaps, but if you have a small community --

19 A Yes.

20 O -- take Burwash Landing --

21 A Yes.

22 O -- the distribution system  
23 there, if it is to be paid for by the residents of that  
24 community, it is going to be very expensive, isn't that so?

25 A Relatively speaking, yes.

26 O And if you average the



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1 cost of distribution there with the cost in Whitehorse, the  
2 cost for Burwash Landing is moderated?

3 A Yes.

4 Q I take it you've no figures  
5 on those two options?

6 A We've developed it on the  
7 basis of each community standing on its own, each individual  
8 community was addressed separately. We did not look at  
9 putting all the communities together as a sort of a single  
10 system if you wish to call it that. It could be done.

11 Q And you've no idea what  
12 the cost relativities would be if that were done?

13 A I don't now, but like I  
14 say, it is not difficult to do.

15 Q Yes.

16 If there seems to be interest in  
17 that, I may ask you to do it.

18 A I'd be pleased to do it  
19 if you wish me to.

20 Q Yes, well it would be  
21 useful I think.

22 A Would you like me to under-  
23 take it?

24 Q Yes, sure.

25 Now, in connection with the commun-  
26 ities that you've examined, your contemplation I understand



1 it, is to make gas available to all the communities along  
2 the corridor?

3 A Yes.

4 Q That includes Haines  
5 Junction?

6 A Yes, the supply of gas  
7 would be made available to Haines Junction, right.

8 Q Yes, on a household-by-  
9 household basis as well as simply to their thermal generation  
10 unit?

11 A They don't have a thermal  
12 generation unit.

13 Q Well, okay.

14 A But it would be available  
15 to all the consumers who wanted to use gas, yes.

16 Q In connection with thermal  
17 generation units, you've indicated that gas is available  
18 for that source as well?

19 A Yes, and they've been  
20 considered in our estimates.

21 Q Yes. Conversion there has  
22 some costs I take it?

23 A Yes it does.

24 Q Conversion of households  
25 has some costs?

26 A Yes it does.



1 Q Has the company given any  
2 consideration to the facilitating of those conversion costs  
3 by any kind of loan system?

4 A Not specifically, but I  
5 know that in distribution systems in Alberta and British  
6 Columbia, that an arrangement was made where the cost of  
7 conversion could be rolled into the overall price or a loan  
8 arrangement was made whereby the people wanting to convert,  
9 could borrow money and then pay the -- borrow it from a  
10 lending agency and then pay the amount over a period of  
11 time.

12 Q Yes, in fact, that loan  
13 arrangement is not an uncommon practice --

14 A That is correct.

15 Q -- this sort of a  
16 situation.

17 A That is right, exactly.

18 Q And I take it, you'd see  
19 no reason why the company couldn't undertake the same kind  
20 of facilitation here in Yukon?

21 A No, it is not uncommon as  
22 you say and yes, the company -- there is no reason why we  
23 wouldn't get involved with that if it became necessary to  
24 do so.

25

26



1                                   Q                   In connection with the  
2 amount of gas that is available for local consumption, there  
3 is a letter in your material at page 6.19 of Volume 5 A, which  
4 I take it, is sort of a letter of intent from Pan Alberta Gas. Is  
5 that correct?

6                                   A                   " Yes.

7                                   Q                   And I take it that letter  
8 is based on the estimates of gas that you see being syphoned  
9 off the system here in the Yukon and replaced in Alberta.

10                                  A                   Yes, that's correct.

11                                  Q                   And that would lead me to  
12 believe, at least, that by the time you reach 1990, approxi-  
13 mately 6.4-- is that m.c.f. per day?-- will be taken off the  
14 line.

15                                  A                   1990 -- could you just  
16 repeat that? I was looking for the letter, I'm sorry.

17                                  Q                   Do you see it at about  
18 line 5 --

19                                  A                   Yes.

20                                  Q                   -- rising to approximately  
21 6.4.

22                                  A                   Yes, right.

23                                  Q                   Is that 6.4 m.c.f.?

24                                  A                   That would be m.m.c.f.d.,  
25 millions of cubic feet a day.

26                                  Q                   Sorry, I didn't catch that.



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1                                   A           m.m.c.f.d., which is  
2 millions of cubic feet per day.

3                                   Q           Yes. How was that number  
4 arrived at?

5                                   A           We had Pacific Northern  
6 Gas who are, as we say in our evidence, a distribution company  
7 in Northern British Columbia, do a survey for us to determine  
8 the potential number of customers which would utilize gas,  
9 and also the volume which such customers would utilize, based  
10 upon their experience in Northern British Columbia, and the  
11 numbers that appear in this letter are numbers they arrived  
12 at.

13                                  Q           So, it's basically a  
14 demand projection.

15                                  A           Yes, it is.

16                                  Q           There is no arbitrary  
17 limit on the amount of gas to be taken off the line?

18                                  A           No.

19                                  Q           So that should a petrochemical  
20 industry be a possibility in Yukon, for example, I know  
21 of none now, there would be no reason why the amount of gas  
22 taken off the line couldn't be increased here in the Yukon?

23                                  A           That would be a situation  
24 I think, where we would have to be certain the arrangement  
25 with United States was fine, and with Alberta was fine.  
26 But, certainly if the gas supplies in Canada were adequate



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1 for that, there would be no problem at all.

2 We would have to be certain and  
3 would have to make application to the Energy Resources  
4 Conservation Board for the quantities of gas required for  
5 that purpose, just like TransCanada does for their market  
6 areas, and so on. It would be a standard practice to go  
7 through that process.

8 Q All I'm saying is that  
9 this fuel and feed stock is available in Yukon as a potential  
10 part of industrial growth.

11 A Yes. I guess it's subject  
12 to the same limitations that the market, the supply of gas  
13 is available to any market areas in Canada.

14 Q Now, on page 7 of your  
15 evidence, you refer to the pricing assumption you make for  
16 gas supplied to Yukon, and you take the Alberta border  
17 price as your pricing --

18 A Yes, that's correct.

19 Q -- bench mark. Why do  
20 you choose that price?

21 A That's the price that has  
22 been set down by the agreement between Albert and the Federal  
23 Government as to the price which is applicable for gas  
24 which sold in market areas in Canada outside of Alberta. It's  
25 the base, really.

26 Q I see. Now let me move



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1 on to local business. Your policy there, as I understand it, is  
2 set out clearly, is to maximize within practical limits, local  
3 business participation. Is that correct?

4 A Yes sir.

5 Q And, let me ask you whether,  
6 in an effort to maximize this participation, you've contem-  
7 plated any kind of northern business pricing preference, if  
8 I can put that way. Have you contemplated any additional  
9 payment that the company is prepared to make to retain local  
10 business, as opposed to obtaining similar supplies from the  
11 South?

12 A I think it's very difficult  
13 to make a blanket statement on that. I think you have to get  
14 into the basis of the bidders list, which would be set up as  
15 Mr. Deyell was describing <sup>where</sup> in those local communities we have  
16 a bidders list which restricts the bidding on materials to  
17 just local suppliers.

18 So that from that standpoint, the  
19 local suppliers are protected because people from the outside,  
20 if you wish, are not eligible to quote on those matters. As  
21 far as giving a preferential, I think, as I say, it's a  
22 difficult thing to do, but, I think, if you were to -- if  
23 you're familiar -- anyone who is familiar with analyzing of  
24 bids, that the lowest bidder is not necessarily always the  
25 one that gets the job. There are other factors which will  
26 be involved.



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1 I'm afraid I can't make a blanket  
2 statement on that. Perhaps, Mr. Deyell might add something  
3 with their experiences within Alberta.

4 Q Yes. Let me ask you, Mr.  
5 Deyell, because I was going to do that, what Alberta Gas  
6 Trunk's position is on that. I took it from an earlier answer  
7 you gave today, that your position is that you would not give  
8 a local business preference, in terms of paying more simply  
9 to get the same service from a local contractor.

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1 MR. DEYELL: That is really difficult  
2 to come to grips with, because we really have never gone in  
3 depth to get a finite comparison between the two.

4 As a general rule when we want a small  
5 service done, and there is -- that service is available in  
6 the community area, we have it done that way. We don't  
7 take and ask for competitive quotes from somebody in the  
8 South. We just don't do it.

9 Now, I suppose if we did it, if it's  
10 a small job, there's no way that a contractor say in Calgary  
11 and Edmonton could compete. They would have to bring  
12 manpower and equipment in, and if people already live there,  
13 I just don't think it's possible.

14 Now, I have an example of that which I  
15 think would illustrate the point. We built an office and  
16 warehouse in the Town of Athabasca last year. It was in the  
17 order of about \$100,000.00. We went for quotations to, I  
18 believe there was only one contractor in Athabasca capable  
19 of doing that, and we had bids from several in the Edmonton  
20 area. The Athabasca bidder did come in lower than that  
21 others, and he did the job, and did a fine job of it. It  
22 wasn't considered a big job. It was one which largely  
23 concrete base and block construction, and in that particular  
24 case this contractor did outbid his counterparts in the south.  
25 If there had been more than one in Athabasca, we would probably  
26 not have gone to the Edmonton contractors for a comparative



1 bid. But this is an example where the local one did  
2 outbid his competitors from outside.

3 Straying just a little bit beyond  
4 that, we have engaged the services of a number of companies  
5 to get them started, and I don't like to be pinned down too  
6 tight in this because I may not stand up to critical  
7 examination. We did engage, over a year ago, a clearing and  
8 grading contractor which was native owned and operated and  
9 we entered into rather deliberately, a cost-plus arrangement  
10 to do this work.

11 We gambled that the work would be  
12 done expeditiously, and would come in at a price comparable  
13 to what we would have got it done if we had gone out for  
14 an open bid, and this was done very deliberately to give  
15 this native group an opportunity to get started.

16 We subsequently gave them another job.  
17 That job was, I believe, also at a cost-plus basis. The  
18 second job, as I understand it, came when we did get the  
19 final costs from it, they were comparable with what we  
20 estimated we would have got if we had gone to open competitive  
21 bidding. We have entered into an agreement with that company  
22 to set aside so much work for them over the next three years  
23 on the basis that their prices, which they will give us for  
24 that work, are comparable to what we would pay on the open  
25 market.

26 Now, this, in this particular case, it



1 was a start, I'm not going to say it was an exception, because  
2 it is going to be our intention to continue this kind of  
3 practice where entrepreneurs, and in this case, they were  
4 natives, can do an adequate job, and we hope as we go down  
5 the road, it will become more than that. So that's something  
6 different.

7 The reason I didn't want to be pinned  
8 down too tight on that one is that that practice may not  
9 necessarily be condoned by other people. I think it's a  
10 valid one, I think it's something that we have to do in  
11 the interests of getting, in this particular case, the native  
12 people engaged in entrepreneurial endeavors.

13 Q Let me just, sorry --

14 A Go ahead, I'm finished with  
15 that part.

16 Q -- I just want to come back  
17 and pursue this one point, with either you or Mr. Burrell.  
18 Mr. Burrell, I take it you have no doubt that situations  
19 will arise on this project where bidding occurs and the  
20 bidders are from the North and some from the South on the  
21 same jobs.

22 MR. SAKER: Mr. Goudge, if I could  
23 reply to that, in part. I was partly instrumental in the  
24 preparation of the cost estimate for the 48-inch line, and  
25 in preparing our estimate, we, in talking amongst ourselves,  
26 were very hopeful that the compressor station site preparation,



1 and the access roads to them, and the brand new material that  
2 are required for this line would be done by local contractors.

3 It prevents a smaller contractor from  
4 the South from moving in, and his cost would have to include  
5 that moving-in cost, whereas the local man should be able  
6 to come in quite competitive. As far as the supply of  
7 overhaul and repair parts, if I could just suggest that the  
8 local Caterpillar dealer will, with the help of Finning,  
9 have a supply build up that he will keep each of the  
10 contractors quite well supplied with replacement parts and  
11 other necessary repair parts. So there, we think that the  
12 local people do have a very good chance, and if it comes  
13 up for bid, I don't see how a southerner can compete,  
14 particularly in the parts that I was personally involved  
15 with.

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1 And if I might state another common  
2 case, I was at Cassiar and Fort Nelson as a contractor and  
3 the local suppliers of particularly small parts, provided  
4 us both Fort Nelson and Cassiar through Watson Lake, far  
5 better than any Southerner could because the first thing  
6 we demanded was service and sometimes the cost was a little  
7 greater than we might have gotten from the southern supplier  
8 but the fact that we could get it three or four days quicker  
9 was what we were after and nobody but nobody but a local,  
10 knows how to expedite getting those parts and supplies that  
11 we need.

12 Q Okay, well let me put it  
13 the other way then, gentlemen.

14 If a job arises and there are bids  
15 on it from both local contractors and southern contractors,  
16 I take it your policy is not to pay more to retain the local  
17 contractor?

18 MR. BURRELL: I don't know if  
19 that is necessarily true. As I said before, in analyzing  
20 bids, you've got to look at all the factors involved. Mr.  
21 Saker just pointed out a very important one and that is the  
22 service aspect of it and when you analyze a bid, you analyze  
23 it more than just price. You look at the service, the  
24 delivery, other factors, and they all roll into -- come up  
25 with the final selection, so there is weight put to each of  
26 these things and it may turn out that after you've looked



1 at all the factors and put them in proper weight, that the  
2 lowest bidder in price initially, is not the one that would  
3 -- that is best suited to do the job, so from that standpoint  
4 the lowest bidder doesn't always necessarily get the job.

5 Q I understand that, Mr.  
6 Burrell, but it is not company policy to pay a premium in a  
7 bidding situation in order to retain a local contractor?

8 MP. DEVELL: It is very difficult  
9 for me to compare Alberta with the Yukon as it is -- there  
10 are outlying areas where I suppose they are comparable in  
11 this particular respect. The -- we have done some of this  
12 work that Mr. Burrell has referred to here or as Mr. Saker,  
13 a similar kind of thing.

14 A lot of it we don't go to bid. We  
15 just go and get the local person to do it. There isn't  
16 really enough bidding done in these areas to really give  
17 you an honest opinion about that but we don't have a set  
18 down policy that we'll give X per cent to a -- to one of  
19 the locals as such in that respect.

20 Q And I'd take it you'd  
21 anticipate Foothills to operate the same way, Mr. Burrell?

22 MR. BURRELL: Yes and I think that as  
23 I said before, it is very difficult to make a blanket state-  
24 ment because in some cases, it may turn out to be that for  
25 various reasons. In other matters, it may turn out, that  
26 doesn't occur and I think that to try and make a blanket



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1 statement would be very difficult in this matter.

2 Q Now, in connection with  
3 some of the practical limits that you propose to deal with  
4 -- this problem of local business participation. You've  
5 already referred to your bidders list which is one of your  
6 devices.

7 A Yes.

8 Q I take it another device  
9 is, as you've spoken about it, buying -- if I can put it  
10 this way -- by contract rather than from inventory so that  
11 inventory will remain to service the local market?

12 A Yes.

13 Q And you have as well, your  
14 object of sizing contracts so that local markets are not,  
15 insofar as it is possible, disrupted?

16 A Assize them to the capability  
17 of the contractor, yes.

18 Q Yes. Now, dealing with  
19 that matter, how do you propose to determine the capability  
20 of the contractor in coming to your view of how to size  
21 the contract?

22 A Well, it would be I guess,  
23 an overall part of the bidders' list. In developing a bidders  
24 list, you would look at the capability of the contractor.  
25 I think at the time that the bids are being awarded, you  
26 would look at the work that he has available to him and



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1 assess his capability of doing it. For instance, I use  
2 the example, if we needed forty houses as an example, and we  
3 went out and found that a local contractor or there were no local  
4 contractors which could build forty houses and we would  
5 be prepared to size that contract so that if he was -- the  
6 contractor was capable of adding -- or building three houses,  
7 then we would break up our requirements on that basis.

8 Q Yes. Your object being I  
9 take it, to permit the local contractor to expand as much  
10 as possible while not disrupting his participation in the  
11 local market?

12 A Yes.

13 Q That requires to some  
14 degree I take it, consulting with him and determining or  
15 what he sees his capacity to expand without that disruption.

16 A There is no doubt about  
17 that. •

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1 Q And in fact you would really have  
2 to rely on your local bidders, your local entrepreneurs to  
3 advise you as to their present situation, and their present  
4 capacity to expand without disrupting their local market  
5 participation?

6 A Yes, and that's part of the  
7 development of the bidders list. The bidders list will be  
8 determined in consultation with the local businessmen.

9 Q Does it concern you at all  
10 that in doing that kind of consultation, there may be a  
11 tendency quite understandable on the part of local entre-  
12 preneurs to over-estimate their capacity to expand without  
13 disrupting local markets?

14 A I suppose that possibility  
15 exists. I think we would have to look at the capability  
16 and what work the contractor had on-going at the time we  
17 went out to bid. We would ask him to bid, and then one of  
18 the things that we would have to assure ourselves, at the  
19 time that we are awarding the bids, that he does have  
20 the capability to do it.

21 I think another thing you have to  
22 realize too, is that this project will only occur over a  
23 relatively short time span. Most contractors are really  
24 not prepared to jeopardize their so called bread and butter  
25 type business.

26 The work on the pipeline will be



1 attractive, but they also have to have an on-going entity  
2 and it's the bread and butter, if I want to use that expression,  
3 the bread and butter business that really keeps the  
4 company going, and these factors are considerations when  
5 contractors and local businessmen do put in bids to supply  
6 services, whether it be to -- goods or services -- whether  
7 it be to us or to any other project.

8 Q So you would rely in checking  
9 this possible instinct that I spoke about on your own  
10 objective review of the entrepreneurs capacity to expand  
11 and on this basic assumption that you make, that he will  
12 wish to continue servicing his bread and butter in order to  
13 have it when the pipeline construction period is over?

14 A Yes, and we would have discussions  
15 with him too at that time.

16 MR. DEYELL: Mr. Goudge, on this  
17 question of preference, I would just like to point out one  
18 thing which is the difficulty of establishing ground rules  
19 for this. We have done a lot of consideration of this over  
20 the years, and we do have a fixed policy in Alberta Gas  
21 Trunk with respect to buying Canadian. I'm talking now  
22 perhaps of manufacturing. We do give a preference to Canadian  
23 manufacturers, and our amount is 5 per cent. We don't  
24 differentiate between Alberta manufacturer versus any other  
25 part of Canada.

26 We have contacted many, many companies



1 and all of the Provinces and they are all very reluctant  
2 to commit to writing a policy with respect to what they  
3 prefer and what they don't.

4 The Province of Quebec up until a  
5 short time ago, did have a preferential set down for  
6 manufacture in the Province of Québec, as opposed to the  
7 rest of Canada. We understand that has been withdrawn  
8 by the Party Quebecois, and I don't know why they have done  
9 that. I would have perhaps thought it might have been the  
10 other way, but we understand that that policy has been  
11 rescinded. And in talking to the Alberta Government, the  
12 Ontario Government, and other governments, they are very  
13 reluctant to come out and specify. They say privately they  
14 have some preference, but we have never really been able to  
15 come to grips with what it is.

16 We do have a preference Canadian in  
17 our own Company, and it is 5 per cent.

18 Q Wouldn't that be a reasonable  
19 or perhaps even a desirable thing to adopt on a Territory  
20 basis for the construction of this line?

21 A I personally think it would  
22 be a desirable thing and it perhaps would take more  
23 consideration to what the amount should be, but I don't see  
24 anything wrong with that.

25 Q Mr. Burrell?

26 MR. BURRELL: I think this matter



1 would be something that would be developed as we get into the  
2 bidders list. Mr. Deyell says in some areas it is not  
3 looked favourably upon. I think we would have -- this would  
4 be one matter that we would have to take into consideration  
5 as the overall local business participation policy of the  
6 Company is developed.

7 Q Thank you.

8 MR. DEYELL: I think it's a matter  
9 really of how far can you go without getting retaliation  
10 from some other part of the country. You know, there is  
11 a limit as to how far you can go, and this is why people  
12 are reluctant to fix it.

13 MR. BURRELL: I think, though, that  
14 the bidders list which in cases would limit the bidding  
15 strictly to northern enterprises is a very good way in  
16 which the northern businessman is going to be assured of  
17 supplying material. He's not -- he's competing with  
18 contractors and businessmen within the Territory. We wouldn't  
19 have people from the Outside bidding, so from that standpoint  
20 he is assured of supplying goods and services because people  
21 from the Outside are not allowed to bid.

22 MR. CHAIRMAN: Yes. I think this might  
23 be an appropriate time then to take our mid-morning break.

24 (PROCEEDINGS ADJOURNED)

25

26



1 (PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT).

2 MR. CHAIRMAN: I'd like to re-  
3 commence the proceedings now, please, Mr. Goudge, whenever  
4 you're ready.

5 MR. GOUDGE: Thank you sir.

6 Q: Mr. Burrell, you and I had reached  
7 the point where the local economy had expanded as much as  
8 possible during the construction phase consistent with the  
9 continuing of local relationships.

10 I'd like if I could, to turn to the  
11 post-construction phase after your construction operation  
12 pulls out. At that stage, the only residual economic impact  
13 is that of your Operations and Maintenance organization,  
14 is that correct?

15 MR. BURRELL: Yes.

16 Q And that is -- I don't have  
17 the numbers in front of me but roughly, two hundred  
18 persons, is that right?

19 A Yes.

20 Q So that you go from this  
21 major construction impact to an impact that really adds only  
22 two hundred people to the economy of the Yukon?

23 A It adds two hundred employ-  
24 ment positions to the Yukon. It is difficult to say how  
25 many people it will add because we are hopeful that many of  
26 those positions will be filled by Yukoners themselves.



Q Yes. Now, you'd agree with  
re will at least be a shrinkage of  
wing the expansion during construction.  
word bust, but there'll at least

A                    I think there will be.  
which that'll occur will depend upon  
al businesses get involved in the

Q Yes, and as we've said, minimize that participation.

A Yes, that is correct.

Q And insofar as that  
respondingly be a need to worry about  
cal economy that will necessarily  
ction phase?

A Yes.

Q Yes. Have you given any  
cess could or ought to be managed  
market forces take care of that?

A            The market forces themselves

I think if, certainly one of the



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1 objectives of our program will be that the contractors and  
2 suppliers of goods and services will not expand to a point  
3 where, in the construction phase, to a point where following  
4 the construction phase, they are in an over extended position.

5 We want to avoid that and through  
6 these bidders lists and other workings with the local  
7 businessman, we would intend to discourage expansion beyond  
8 a capability which can be self-sustaining following the  
9 construction phase.

10 I think you also have to realize  
11 too, that if -- we talked about purchasing of truckload  
12 shipments, we don't see the fact that once the construction  
13 is finished and the truckload shipments stopped, that that  
14 would have any adverse effect on the local suppliers because  
15 as we see it, to provide that service, really wouldn't tax  
16 those facilities to any great degree.

17 Q Yes, but isn't it fair to  
18 say that the expansion that takes place locally to meet the  
19 needs of your construction program, will not be able to be  
20 self-sustaining once the construction program ceases because  
21 there won't be anything comparable to replace it?

22 A I think that possibility  
23 exists. It is hard to say. It could very well happen,  
24 yes.

25 Q Yes, and when that day  
26 comes and a contraction of the local economy appears in-



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1       evitable, does the company have any policy insofar as company  
2       activity is concerned, to assist meeting that contraction?

3                               A           I'm sorry -- meeting?

4                               Q           Meeting the needs of that  
5       contraction?

6                               MR. DEYELL:   what we are trying to do here  
7       is to think whether or not anything that even reasonably com-  
8       parable to that has happened say in Alberta   or British  
9       Columbia, the closest I guess to that would have been in  
10      the early 1960's when we built our Foothills Division of  
11      Alberta Gas Trunkline, we built roughly 500 miles of pipeline,  
12      large diameter       pipeline       in a two year period.

13                              And you, that expansion was up  
14      to -- generally to the west of Edmonton and Calgary and  
15      probably didn't impact like it would impact here because  
16      there are other things going on. British Columbia had  
17      Westcoast Transmission that was built probably about 700  
18      miles of it in a two year period, up along the Hart Highway  
19      and to       Fort St. John.

20                              Again, it is not a very fair com-  
21      parison because there were gas fields and oil fields at  
22      the upper end of the line that were stimulated in their  
23      development and of course, that won't exist here.

24                              So, I can't answer for Foothills  
25      on this but I don't really know what we could do to pick  
26      up that gap that there would be at the end of the construction



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1 period. Hopefully, the impact will not be all that great  
2 and if you're able to restrict the development of local  
3 enterprises to those that will be ongoing after and can  
4 support themselves in other ways, then the impact won't be  
5 that great.

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1 Q Isn't it fair to say, though,  
2 Mr. Deyell, that you're in a kind of hobson's choice  
3 position here. You either stimulate local participation  
4 during the golden years of construction and then deal with  
5 a bust. Or you don't stimulate local participation and  
6 avoid the bust? You can't have the boom without the bust?

7 A No, but what I was thinking  
8 here of, is there's existing facilities here today, existing  
9 people here today, and there is a minor amount of development  
10 that will take place there. But, if we were to encourage  
11 a whole lot of new enterprises to start here, gear it up  
12 with equipment and whatever, then there will be a bust.  
13 And I think that would be a mistake to create that bust.  
14 You can gear up if the project itself will write off all of  
15 this equipment, so that in effect it's paid for and even  
16 so what, a bust occurs. You've already recovered all your  
17 money. The period of time isn't all that great, and I'm  
18 not sure that could happen. So I think we would be better to  
19 resist building it up too high for the very reasons that you  
20 have suggested.

21 Q Would you be prepared to  
22 contemplate avoiding reliance on local contractors if that  
23 reliance required the local contractors to make any capital  
24 investment?

25 A Well, no. I don't think you  
26 should look at it quite that way, because there may well be



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1 some capital investment that he can see an on-going business  
2 requirement for. I think we would be wrong to suppress that  
3 and if all it took was the impetus of this project to get  
4 him started in that, and get well down to the road to  
5 having his capital investment written-off, then I think we  
6 should encourage it.

7 But, I certainly wouldn't want to see  
8 something built up and leaving him high and dry at the end  
9 of the job.

10 Q Mr. Burrell, I wonder if the  
11 Company has engaged in any studies specifically oriented to  
12 this problem of dealing with the shrinkage phase of the local  
13 economy?

14 MR. BURRELL: Not particularly, I  
15 think, it's part of the overall local business opportunities  
16 program, which the Company has. This bidders list as I  
17 mentioned and then the point, of course, of not encouraging  
18 expansion within those areas which cannot be self-sustaining  
19 following construction, or where expenditures are required to  
20 do construction work which cannot be recovered. We would  
21 discourage that totally.

22 Q Let me move on from the local  
23 business area that you deal with in your evidence to the  
24 local employment area that you deal with, beginning perhaps  
25 in your answer at the top of page 14 of your evidence.

26 A Yes.



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1 Q You speak there of hiring  
2 preference to all employable Yukoners --

3 A Yes.

4 Q -- and that's your Company  
5 policy?

6 A Yes, it is.

7 Q I take it that you exclude any  
8 preference for any other northerners, such as N.W.T. residents?

9 A Certainly Yukoners would get  
10 the first choice, and then the N.W.T. people would have  
11 an opportunity too.

12 Q Suppose the Dempster lateral  
13 were built? Would you consider that to be an area in which  
14 the Company should expand it's northern preference hiring  
15 to include the N.W.T.?

16 A Yes, because we're then going  
17 through the N.W.T., through that particular area, and the  
18 policy really is a preferential hiring to local residents.  
19 And we said Yukoners here, because the pipeline that we are  
20 proposing is going through Yukon.

21 Q Now, dealing with the wage  
22 rates paid on the main line construction. No doubt those  
23 rates are good, to use a modest phrase.

24 A Yes. I think maybe Mr. Saker  
25 might comment on what those are, perhaps.

26 MR. SAKER: By good, do you mean amount



1 of dollars earned that each man receives, or good for the  
2 northerners, as well as the southerners?

3 Q Yes, I'm not really concerned,  
4 Mr. Saker, to get into the details. I simply wanted to  
5 start off with that and then ask if you or Mr. Burrell, I  
6 take it you contemplate simply one rate per job classification--

7 A Yes, sir.

8 Q -- to apply to all those in it?

9 A Yes, sir.

10 Q And that rate obviously has  
11 to be satisfactory so as to get people to fill those  
12 categories?

13 A Yes, sir. It will be a rate  
14 that is negotiated between the Contractor's Association and  
15 the unions involved.

16 Q Yes. One of the problems with  
17 building this line is that it will take a lot of highly  
18 skilled people and the market capable of supplying those  
19 people is in some cases, I'm thinking particularly of  
20 welders, not that big, do you agree with that?

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A That's true.

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Q So that some of the areas

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will require substantial rates to bring people from long

5

distances away.

6

A Well it won't be -- quite  
allowance

7

likely it would be a northern/made between -- and contracted

8

between the unions and the contractors.

9

Q Right. That's common

10

practice, isn't it?

11

A Yes sir.

12

Q So that you have your

13

northern allowance added to the already good rates payable

14

in large -- in big-inch pipeline construction.

15

A Big-inch or small-inch,

16

it's pretty well all the same.

17

Q Yes. Then in addition,

18

Mr. Burrell spoke yesterday about the contemporaneous building

19

of transmission lines in the South, that will accompany, at

20

least in a temporal sense, the building of this line. Is

21

that right?

22

MR.BURRELL: Yes.

23

Q And I take it that

24

will mean perhaps additional monies having to be paid to

25

attract people away from those projects, to work this project.

26

MR. SAKER: Well again, the northern



1 incentive that the unions are now contemplating make it look  
2 fairly lucrative for a pipeline worker to come up North,  
3 and they are also contemplating a job-completion incentive,  
4 which will be on top of the northern allowance -- the nor-  
5 thern allowance will include fairly substantial annual  
6 clothing allowance.

7 Q All I'm seeking to  
8 establish, Mr. Saker, is that the northern allowance here  
9 is likely to be a little more generous, given that you have  
10 to bid against southern pipeline jobs for the same worker.

11 A Well, everybody being  
12 on any portion of the line between Alaskan border and the  
13 Sakatchewan border will know what that allowance is, and I,  
14 as a pipeline welder or a pipeline worker, would have to  
15 make that decision myself.

16 Whether I wanted to be home at  
17 \$10.00 an hour, or whether I wanted to be up in the Yukon  
18 at 12 and a half plus all the other incentives that will  
19 be offered.

20 Q Perhaps a small point  
21 but Mr. Burrell referred yesterday, is the fact that  
22 southern construction is going on at the same time as one  
23 possible force mitigating against much in-migration. I think  
24 that was the gist of what you said yesterday, Mr. Burrell.

25 MR. BURRELL: Yes, we think it's  
26 an important factor.



23 Last time we tried out the automatic  
24 welding, was in the summer and it was non-union personnel  
25 that did it, and the job was deliberately slowed down, at  
26 least, that's our interpretation of it, because of that.



1 And of course, men can do a lot of things with respect to  
2 production rates.

3 So the winter job was quite success-  
4 ful. We had a good run at it; we did roughly 80 miles with  
5 36-inch pipe with the -- no, I'm sorry. We did 30 miles of  
6 it. It was the second job it was on. It was successful, and  
7 it went well. The union welders allowed it to produce as it  
8 ought to, and not perhaps as well as it might if they really  
9 put their minds to doing it that way.

10 But that's one of the things we're  
11 hoping will mitigate these problems for us. We still will  
12 have to get by this union problem of who's going  
13 to man the equipment. I suspect it will be union members.  
14 They don't seem to be particularly opposed to the use of  
15 automatic welding, primarily because they know that there  
16 will be more jobs on this kind of a project than there are  
17 people to fill them.

18 And what is hanging over their  
19 heads a little bit, and perhaps helping us, is that they  
20 know that if we can't get them in Canada, we will probably  
21 have to go to the U.S. And that helps us somewhat in our  
22 negotiations with them. But we hope that by the time we  
23 get started, we'll have these problems, and that will take  
24 that pressure off a little bit.

25 Q We then have a situation,  
26 Mr. Burrell, I take it, where there will be these good rates,



1 good wage rates that I've spoken of together with a north-  
2 ern bonus, producing a situation where pipeline workers set  
3 a relatively high standard of comparability for wage rates  
4 to the local economy. Do you agree with that?

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1 MR. BURRELL: Yes.

2 Q And there is no doubt that that  
3 may well, as it did in Alaska, create the kind of turnover  
4 problems that we talked about in the last few days where  
5 workers leave existing employment here in Yukon to go to  
6 work on the pipeline?

7 A Yes, that possibility can  
8 exist.

9 Q And there's really no way  
10 around that, because it's necessary to pay these high rates  
11 in order to build the line?

12 A Yes, we'll be paying in  
13 accordance with the contractor-union arrangements, yes.

14 Q Now, you speak on page 15 of  
15 your general policy positions, and you -- in part (d) of  
16 your answer to question 25, you refer to employment rotation.  
17 There is no doubt you're going to follow that pattern for  
18 the construction period?

19 A Yes, and I think that matter  
20 was addressed yesterday by Mr. Saker and Mr. Deyell, as to  
21 what has actually taken place in the construction industry  
22 to date.

23 Q And are you going to build into  
24 that employment.

25 Well, first of all you have no idea  
26 at this stage of the kind of rotation timing that will be



1 resulting from the labour negotiations for this project?

2 MR. SAKER: When you say rotation, are  
3 you referring to the R & R that people were talking about  
4 yesterday?

5 Q Yes, sir.

6 MR. BURRELL: R & R, I'm sorry.

7 Q Yes, how many weeks in, and  
8 how many weeks out?

9 MR. SAKER: We don't contemplate any  
10 R & R, Mr. Goudge. Again, going back to the Pipeline  
11 Contractor's Association of Canada, and the union involved,  
12 they're now putting forth another incentive to keep the  
13 man here for the duration of the project rather than having  
14 him come and go.

15 Q Yes.

16 MR. BURRELL: I'm sorry. Is that what  
17 you inferred from what item d) stated that we're talking  
18 about R & R?

19 Q Yes, I assumed that's what  
20 you meant.

21 A No, it's with respect to --  
22 well in a sense I suppose it is, but it was addressing  
23 itself to a concern that within a small community, many of  
24 the sort of leaders of the community may elect to go on to  
25 the pipeline and create a problem within the community of  
26 not having the normal leadership, and what we were saying



1 here is that we would be prepared to work the arrangement  
2 where certain members of the community, depending on how  
3 they wanted it set up, could come on and work on the job,  
4 and then after a certain length of time, could go back to  
5 their own community, and another group could come on,  
6 so that we could maintain continuity within the community  
7 and still give the people an opportunity to have construction  
8 employment if they so desire it.

9 Q And I take it this would be  
10 a rotation scheme unique to Yukon residents?

11 It wouldn't apply to southerners?

12 A Yes. It is not intended to  
13 apply to southerners.

14 Q Yes. Do you see that posing  
15 any labour difficulties, Mr. Saker, in the construction end?

16 MR. SAKER: No, we went through this  
17 pretty extensively yesterday, Mr. Goudge, and again I reflected  
18 on a very small example of this at Pointed Mountain that we  
19 had, and I repeat that it was small, but it was successful  
20 in rotating some of those local residents as a labour source.

21 Q Now, did you want to add any-  
22 thing to that Mr. Deyell?

23 MR. BURRELL: No, we were having a  
24 private little discussion here. We were boning up for  
25 your next question.

26 Q So was I.



1 Now, Mr. Burrell, in terms of  
2 contemporaneous development that may be going on at the  
3 same time as your pipeline. Has anybody in your Company  
4 had any contacts with those in the Government that are  
5 dealing with the possibility of the paving of the highway?

6 A Yes, we have had  
7 contact with the D.P.W. on two occasions, I believe. The  
8 information that we had was that D.P.W. had not  
9 solidified their plans to a point where we could have a  
10 meaningful discussion, but we have an arrangement that when  
11 they are in a position to do so that we will sit down and  
12 have discussions with them, and with other groups too.

13 Q My information in that  
14 connection is that the present plan in D.P.W., and they, I  
15 take it, will be the project manager for the paving of  
16 that Highway, is that correct?

17 A As far as I know.

18 Q Yes. My information as to  
19 their present plan is that almost the entire section of --  
20 almost the entire length of the Yukon section of the Alaska  
21 Highway would be under construction for three consecutive  
22 summers, 1979 through 1981. I take it that information  
23 would be new to you?

24 A Mr. Saker informs me it is  
25 new to us, yes.

26 Q Yes, and that it would be



1 especially heavy in 1979 to 1980, and again I assume that's  
2 new to you.

3 In any event, doesn't that correspond  
4 with the projected peak for your construction schedule?  
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1 MR. SAKER: 79 and 80 are shown  
2 as our peaks and our manpower requirements in our construc-  
3 tion schedule, yes.

4 Q And I take it, Mr. Saker,  
5 you'd agree with me that that coincidence of events if my  
6 information is correct, would cause magnified problems for  
7 the southern Yukon?

8 A It would certainly cause  
9 more difficulty, yes.

10 Q And I take it your position  
11 would be that it would be desirable to have these two  
12 events very substantially staggered. The pipeline first  
13 then the paving of the highway second, is that correct?

14 MR. BURPELL: It certainly would  
15 to give opportunity for employment to Yukoners because we  
16 would be drawing from the same labour pool as what the  
17 highway might draw from.

18 Q Now, as well, there would  
19 obviously be construction difficulties for you wouldn't  
20 there, if the two projects were contemporaneous, assuming  
21 that paving of the highway made it much more difficult for  
22 you to use the highway as an access means?

23 A I guess it would depend  
24 upon the program and what they were planning to do in a par-  
25 ticular time span. I have to emphasize again that we are  
26 -- have had discussions with D.P.W. To my knowledge, the



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1 response was that they have not decided what their program  
2 is and -- but the arrangements have been set up for further  
3 meetings so that our project and their project can be made  
4 as compatible as possible.

5 Certainly, the alignment of the  
6 routing will be important. We'll have to see how the --  
7 where they're planning to put chains in the road and that  
8 may in fact, result in some changes in our routing, but  
9 certainly we're intending to work closely with D.P.W. as  
10 they have indicated to us that they would work with us.

11 Q Isn't it essential, Mr.  
12 Burrell, that the projects not occur in the same time frame?

13 A I don't necessarily say  
14 it is essential. I think it would be most important that  
15 the two projects get together and be sure that the timing  
16 of what each project is doing is such that there is a least  
17 amount of competition or -- I'm not sure of the word -- can't  
18 think of the word right now -- but certainly that the two  
19 projects are as compatible as they possibly can be.

20 MR. DEVELL: It would take some  
21 -- certainly better scheduling is what perhaps is considered  
22 now. There'd have to be a better inter-relationship between  
23 the two projects.

24 As far as the interference with one  
25 and the other, I think that can be mitigated largely by  
26 more use of the right-of-way for travel which is quite



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1 We are looking for granular back-  
2 fill and that could be sand or it could be gravel,  
3 screened or crushed to the dimensions that our consultants  
4 would suggest that we might have as bedding or select back-  
5 fill, but I think an area that you might be thinking about  
6 if I can be presumptuous here, is the conflict in the supply  
7 of heavy equipment operators between the general contractor  
8 and the pipeliner.

9 Q That is certainly one area.

10 A It has been my experience  
11 when you are in general contracting, you just don't ever  
12 get into the pipelining and when you're a pipeliner, you  
13 just don't degrade yourself to become a general contractor.

14 So that -- and I've been --

15 Q I'd like to ask you why  
16 but we might be here --

17 A Well, I've been both places  
18 and it is amusing but nevertheless, the fact is there that  
19 if a heavy equipment operator has been on pipeline, he'll  
20 stay there and a general contractor will stay in his own  
21 bailiwick.

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1 normal in many long pipeline systems. There would be of  
2 course, areas where you couldn't do that if there are  
3 physical obstructions like rivers and so on, would prevent  
4 you going certain distances along rights-of-ways but there  
5 are long stretches rights-of-ways that can be used for  
6 travel and certainly in the Yukon, the soil is better  
7 suitable for vehicular travel than what it might be in some  
8 other parts of the country.

9 The pressures of course on the  
10 demand for people would be there, if you have the two going  
11 simultaneously.

12 O And there are going to be  
13 other kinds of mutual pressures: are there not, for example,  
14 both projects will demand a good deal of gravel?

15 A Yes, but I don't think  
16 that would be a real concern in the Yukon. It appears that  
17 if there is anything that is plentiful in the Yukon, it is  
18 gravel. There seems to be a tremendous supply of gravel in  
19 the Yukon.

20 O Is that true as we get  
21 close to the Alaska border when one sees the need of gravel  
22 to deal with the rather more frequent permafrost conditions  
23 that are found up there, Mr. Saker?

24 MP. SAKER: We have consultants  
25 that have been with D.P.W. regarding a granular supply,  
26 and that -- gravel is not a prime need on this contract.



1 Q Now, in addition to the  
2 Highway project, Mr. Burrell, there is obviously the prospect  
3 of a hydro-electric project, is there not? And that's the  
4 reason you have provided in your design for the capability  
5 of switching to hydro-electric power, to power your line?

6 MR. BURRELL: Certainly, development  
7 of an electrical generating facility has been discussed, and  
8 the possibility exists, yes.

9 Q Yes. And it's considered by  
10 you to be likely enough to make the design provisions that  
11 you have told us about?

12 A We put those in so that if  
13 a hydro or a thermal plant is constructed down the road,  
14 then we have the flexibility of converting to electric  
15 motor drive and providing the base load requirements, which  
16 the facility would need in order to be of a large scale.

17 Q But that's likely, isn't it.  
18 Otherwise you wouldn't go to that expense?

19 A As far as I understand, the  
20 Yukon in the next few years, with the growth in requirements,  
21 are going to have to go to some additional power requirements  
22 and it's going to be a requirement, yes, in a few years.

23 Q In connection with that --

24 A Whether a pipeline is  
25 constructed or not, yes.

26 Q -- in connection with that can



1 you give me any ball park figure as to the amount of power  
2 that would be used by your line. the amount of hydro  
3 electric power that would be used in powering your line  
4 in the Yukon?

5 A The number that I recall is  
6 around 170 megawatts.

7 Q And how does that compare,  
8 as far as you know, with the present hydro-electric  
9 consumption in the Territory?

10 A I think we have that information  
11 in our document here. I'm going by memory and I have to  
12 check it out here, but I understand --

13 Q It's roughly twice, isn't it?

14 A -- NCPC has about 80 megawatt  
15 capability. Does that number seem reasonable?

16 Q Yes, I was going to suggest to  
17 you that your needs would be about twice the total existing  
18 needs in the Territory, or the total existing consumption  
19 in the Territory?

20 A To my understanding, that is  
21 correct, yes.

22 Q And isn't it true that the  
23 economics of hydro-electric generation would mean that the  
24 provision of your constant industrial load would very  
25 substantially lower the rates of other users of hydro-  
26 electric power in this Territory?



Saker, Burrell, Deyell  
Cr Ex by Goudge

1                   A           It would enable the construc-  
2   tion of a large facility, which would then enable the cost  
3   of power over the years to be maintained at a lower level  
4   than it would be if you were going to build smaller facilities  
5   or to use thermal generation?

6                   Q           Let me put it another way, isn't  
7   it true that one of the reasons that local hydro rates are  
8   so high is that there isn't the kind of constant large base  
9   load that your pipeline would provide?

10                  A           I think the prices in  
11   Whitehorse are much lower than they are in the small  
12   communities. But they rely upon hydro to a major degree  
13   here in Whitehorse, and that's one of the reasons that the  
14   price of power is where it is.

15                               Did I answer your question?

16                  Q           I think so.

17                  A           I wasn't sure there when I  
18   got rambling.

19                  Q           Now, Mr. Saker, let me ask  
20   you just a few questions if I can really in anticipation of  
21   the in-migration panel. There is, I think, at page 5A-1.21,  
22   I hope I have that right. A Manpower graph that Mr. Ellwood  
23   was speaking to the other day, is that right?

24                               MR. SAKER: Which page is that again,  
25   please?

26                  Q           5A 1.21.



Saker, Burrell, Deyell  
Cr Ex by Goudge

1 A The question was?

2 Q This is your manpower graph  
3 really for the 42 inch line, is that correct?

4 A Yes, sir.

5 Q And Mr. Ellwood did what I  
6 recall to be some calculations to modify it to deal with the  
7 48 inch line.

8 A That's right.

9 Q And that adds basically 500  
10 people to your numbers. Is that right?

11 A Yes, you have, I think you have  
12 been given that graph, we have a peak of 2,300, where  
13 we once had a peak of 1,800.

14 Q You're speaking of the slides  
15 that we saw the first day?

16 A Yes, sir.

17 Q And it's been filed, as Mr.  
18 Hudson reminds me.

19 I wonder, sir, whether it would be  
20 possible for you to supply to us, and indeed maybe Mr. Ellwood  
21 has done so in response to the Chairman's invitation, with  
22 a breakdown by category of those 500. You had 500 in total,  
23 I have yet to see, and this may be my fault, how those 500  
24 fall within the categories that this graph at page 121 sets  
25 out?

26 A If you haven't been supplied



A W. R. B. R. T. 1. 1. 1.  
J. R. A. B. Y. 2. B. 1. 1.Saker, Burrell, Deyell  
Cr Ex by Goudge

1 with that, we can do that. But I can tell you briefly that  
2 it is made up in two categories, and that is in the  
3 pipeline construction and the logistics end of it, what we  
4 have done is maintained the 48 construction on the same  
5 rate per day as we did on the 42, and in order to do that we  
6 built up our crews.

7 We suspect that project management  
8 and inspection, the campsites and the granular material  
9 and the construction of the compressor stations will remain  
10 about the same, but the pipeline crews, as you can understand,  
11 would have to be built up. I'm repeating myself --  
12 Logistic crews were built up.

13 That's the primary difference.

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Saker, Burrell,  
Deyell  
Cr Ex by Goudge

1302.

1 Q Now, I take it, Mr. Saker,  
2 there are some sub-contracting operations that you've not in-  
3 cluded in these man power figures, is that correct?

4 A No, sir, this includes every-  
5 one that we believe will be required to perform the work in  
6 the Yukon section.

7 Q Does it include things like  
8 the camp operations?

9 A Caterers, yes.

10 Q And the security forces sur-  
11 rounding the camp operations.

12 A To the best of my knowledge,  
13 yes.

14 Q And all the logistic require-  
15 ments, including rail, truck, support facilities, telecommuni-  
16 cations, air service, those sorts of things are all included?

17 A Yes, and in that vein, of  
18 those logistics people, there will be a great number of them  
19 in Edmonton, Calgary, Fort Nelson and Haines Junction, so the  
20 quantity that we have shown, there may be 50 to 60 per cent of  
21 them only in the Yukon, the rest will -- and also would be  
22 Teamsters in there and, if we add 150 truck drivers, you might  
23 have only 50 in the Yukon, 50 between here and Fort Nelson and  
24 another 50 somewhere else on the line.

25 Q Yes. And, again the manage-  
26 ment components shown here includes the entire management



Saker, Burrell,  
Deyell  
Cr Ex by Goudge

1303

1 component that you see as necessary for this project?

2 A Yes, sir. Now, you were  
3 referring to the 42, I believe, each time and we'll get - if  
4 you don't have them, we'll get you the figures that we have  
5 estimated for the 48.

6 Q I'd be grateful for that. I  
7 have a note here, I don't have the Volume here, but I have a  
8 note that in Volume 7B, at page 19.1, the management total for  
9 your project is listed at 226.

10 A And I think that also may  
11 include the O and M.

12 Q Yes. I'd ask you simply to  
13 make a note of that and if there's a discrepancy between that  
14 figure and what appears from your graph to be fewer than 200  
15 people, I'd be grateful to be advised, as to that  
16 discrepancy.

17 A Certainly.

18 Q Now, subject to further ques-  
19 tions that obviously some of us may have in connection with the  
20 base for a multiplier, when we come to your in-migration panel  
21 I'll stop that there and may come back to it when Mr. MacLeod  
22 comes to deal with the in-migration.

23 Mr. Saker, let me conclude with you,  
24 if I can, your evidence is obviously, I take it, based on the  
25 premise that for a whole lot of reasons, labour peace is essen-  
26 tial to this project, is that right?



Saker, Burro'll.  
Devell  
Cr Ex by Coudge

1204

1 A Yes, sir.

2 Q Delay due to labour unrest  
3 obviously fouls up your/schedule, your logistics, your carrying  
4 costs, a variety of other things, is that so?

5 A Yes, sir.

6 Q And, that means that it's in  
7 your interests and, indeed, in the interests of minimizing  
8 impact of an adverse kind, that there be a project which is free  
9 from strikes and labour unrest.

10 A Yes, sir.

11 Q You see this project, as you  
12 say on page 1 of your evidence, as being, insofar as the main  
13 line is concerned, a union project. Is that right?

14 A That's right.

15 Q And really there's only one  
16 big inch contractor that is non-union, isn't that so? Henuset

17 A Henuset. right.

18 Q And the AGTI has had some  
19 experience with Henuset, I take it.

20 MR. DEVELL: Yes, a considerable  
21 amount.

22 Q You wouldn't see them operating  
23 on this project?

24 MR. SAKER: They will be open, they will be  
25 on the bidders list, yes.

26 Q How do you square that with



Saker, Burrell,  
Deyell  
Cr Ex by Goudge

1305.

1 your statement that you can't visualize a contractor attempt-  
2 ing to operate non-union on the main line.

3 A I'd only suggest that Henuset  
4 will go union.

5 Q Oh, I see. If they don't go  
6 union, Mr. Saker, are you prepared to consider them as a bidder?

7 A That's beyond my capabilities  
8 to yes or no to. However, I think in what we've seen Henuset,  
9 I think you will find Henuset Brothers are astute enough to  
10 decide that they will go union.

11 MR. DEYELL: I'm not so sure that  
12 they'll have to, Mr. Goudge. I'll speak only for Alberta Gas  
13 Trunk Line, in the Province of Alberta. We do not insist that  
14 our contractors be union contractors. We have in all of our  
15 contracts what we call a fair wage clause. The fair wage  
16 clause only says that the rates that are paid for all classifi-  
17 cations of labour are equal to those that are paid to the unions  
18 under the collective bargaining arrangements, and that includes  
19 all the benefits that goes with it, but we do not insist that  
20 the contractors be union contractors.

21 Q Let me suggest to you, Mr.  
22 Burrell, and maybe Mr. Deyell, I'd be grateful for your views  
23 on this, but if you have Henuset here, operating non-union,  
24 on one stretch of your construction project, it may very well  
25 cause difficulties with your unionized big inch contractors in  
26 other sections. Isn't that a likely consequence?



Saker, Burrell,  
Doyell  
Cr Ex by Goudge

1306.

1 A Well, I suppose there is that  
2 possibility, but we've been, I guess we've been faced with that  
3 possibility ever since we went into business - or ever since  
4 Menuset went into business in Alberta. It's always there.  
5 Menuset gets his fair share of the contracts, maybe more than  
6 the others actually do. On the bidding arrangement that we  
7 have at the present time, we -- the union contractors have no  
8 problems bidding against them. We haven't had any labour pro-  
9 blems associated with union unrest that way. I'm talking now,  
10 of course, of our company, we haven't experienced that. I'm  
11 not -- there are many, of course, probably many reasons why  
12 we haven't, but so far we have not done that.

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1 Q I take it that you wouldn't  
2 see it necessary -- sorry, Mr. Burrell, do you want to add  
3 something to that?

4 MR. DEYELL: Well, Mr. Burrell  
5 just thought we were unionized with big-inch, but we're not.  
6 We have a fair-wage clause in all our contracts, including  
7 our compressor station contracts.

8 Q Mr. Burrell, I take it  
9 you'd see no need to require then all the contractors on this  
10 project to be unionized.

11 MR. BURRELL: That's a pretty  
12 difficult question to answer. This whole matter would have  
13 to be discussed in the development of the project agreement.  
14 I don't know what else to say to that.

15 Q My problem is, Mr. Burrell,  
16 that it seems to me that there is a potential for substantial  
17 impact if we get into a difficult labour situation, as  
18 a result of one big-inch contractor on one leg of the line being  
19 non-union.

20 MR. DEYELL: Again, I'm not so  
21 sure whether that will occur. We have had situations in  
22 Alberta a number of times, where we've had a non-union con-  
23 tractor, if I can put that way, working adjacent to the  
24 union contractor. We've had that the year before last where  
25 there were two - Bannister Construction on one project right  
26 beside on the same job, one union, one non-union.







Saker, Burrell, Deyell.  
Cr Ex by Goudge.

1 I'm not aware of any problems that  
2 existed between these two contractors, and I'm not sure why.  
3 There was a big fuss raised in Alberta, as you probably know,  
4 over the award of the Syncrude Project last winter, I don't  
5 know if that's resolved yet. The second go-around which  
6 occurred not too long ago, they again went to open bid, and  
7 the contract was awarded to the union contractor. I'm  
8 assuming it was awarded on the basis of low bid, but I  
9 really don't know.

10 We just haven't had that problem.  
11 It is possible of course, that it would occur when we're  
12 building a northern line. I rather doubt it, because it's  
13 a controversial<sup>issue</sup>/across the country. I think the provinces  
14 are completely at a loss to know just how to cope with the  
15 problem, whether legislation should be introduced on the  
16 right to work aspect of this whole thing. It's never been  
17 dealt with very clearly.

18 I suppose as long as there's a lot  
19 of work, there is a lesser danger of problems occurring. It  
20 might be, of course, though, that this is used as a lever to  
21 force Henuset Brothers, if you wish, into going union next  
22 year. It may be that the union contractors see this as the  
23 right time to put the squeeze on them, I don't know, but we  
24 haven't had the problem and at this point in time, anyway,  
25 we're not anticipating it.

26 Q Isn't it the case that,



Saker, Burrell, Deyell.  
Cr Ex by Goudge.

1309.

1 for example, the welders union, perhaps one of the most important  
2 of the four you have to deal with, has indicated that they  
3 would simply not work on a project where parts of were being  
4 built non-union.

5 A Well, they might say that  
6 but the strange thing is that virtually all of Henuset's weld-  
7 ers are carrying union cards and so are their operators

8 MR. SAKER: 95 per cent of the staff  
9 are union card carrying people and they pay their dues. What it  
10 amounts to is Henuset does have several companies,  
11 one which is certified and he does not operate under Alberta  
12 right now, because he can get more work with his non-union  
13 companies.

14 But Henuset, at one time, were members  
15 of the Pipeline Construction Association of Canada and with-  
16 drew because they just couldn't the work in competing with  
17 the union big-inch contractors or others. Henuset does more  
18 than big-inch work. He's a pretty diversified company, both  
19 those men know what they're doing, and where they're going.

20 Q Now, let me move to the  
21 area of the  
22 project agreement, Mr. Saker, that you spoke of.  
23 You see that as essential in order to ensure that there will  
24 be no strike disrupting the building of this line.

25 A Yes sir.

26 Q It's also essential, I take  
it, because this specific project may require specific terms







Saker, Burrell, Deyell.  
Cr Ex by Goudge.

1 to deal with things like a northern hiring preference, if  
2 you have one, a manpower delivery system. The rotation  
3 scheme that Mr. Burrell and I were talking about, those kinds  
4 of things are not part of the industry agreement.

5 A -- of the normal one,  
6 that's right.

7 O So for both those reasons  
8 a project agreement is necessary, is it not?

9 A Yes sir.

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Saker, Burrell, Deyell  
Cr Ex by Goudge

1 O I suggest to you that  
2 Foothills has to do more than simply hope for it. Foothills  
3 has to ensure it.

4 A Well, if the permit comes  
5 -- close to an actual fact, I think you'll find that we  
6 will be closer to the negotiations that are just starting to  
7 take place between the Pipeline Contractor Association and  
8 the unions. As we implied to Mr. Bayly yesterday, we're  
9 not a part of those negotiations now but we have access to  
10 that information and part of that preliminaries now, is a  
11 project contract with the contractors for the duration of  
12 this project.

13 This is one of the things on their  
14 agenda.

15 Q Yes, I just want to go a  
16 little further perhaps than we did yesterday and suggest to  
17 you that it is not enough for Foothills simply to request  
18 a project agreement. They must require it.

19 MR. BURRELL: We would certainly  
20 require that the project agreement would contain procedures,  
21 if you wish, or causes which would assure that the terms and  
22 conditions which are contained in the permit and our policy  
23 positions are adhered to. That would be absolutely essential.

24 Q Yes. Now, dealing with  
25 compressor stations and this is the last thing, Mr. Saker.  
26 They as you say, will be built by the building trades, is



Saker, Burrell, Devell  
Cr. Ex. by Condee

1 that right?

2 A Yes sir.

3 Q And do you contemplate a  
4 project agreement for the compressor stations?

5 A I'm not hedging when I say  
6 this is covered by another section of Foothills, but they  
7 -- I would contemplate that they would have a contract  
8 agreement with them as well.

9 Q And the same considerations  
10 apply to it as apply to the mainline agreement?

11 A Yes sir.

12 Q Mr. Burrell?

13 MR. BURRELL: That is true.

14 Q Yes. And I take it you  
15 would ensure as a company, that neither agreement contained  
16 a clause for bidding the sub-contracting of work to  
17 unorganized sub-contractors?

18 I Would you repeat that again  
19 please.

20 Q Well, a number of the  
21 sub-contractors that will want work on your project are  
22 unorganized, is that not right?

23 MR. Saker; Are not certified.

24 Q Okay.

25 MR. BURRELL: At this present time, I  
26 would say yes.



1 Q And don't you have to ensure  
2 that they are capable of getting the work that will be  
3 available by way of sub-contract?

4 A Yes.

5 Q And that means you have  
6 to ensure that both project agreements do not forbid the  
7 sub-contracting of work to unorganized sub-contractors?

8 A That the arrangement is  
9 made that the local businessmen, local contractor, has the  
10 opportunity to participate in the project, arrangements  
11 would have to be made to assure that, yes.

12 Q And if that requires for-  
13 bidding a clause saying no sub-contracting to unorganized  
14 contractors, Foothills would be prepared to ensure it?

15 A Or it may go the other  
16 way in which the contractor would, as Mr. Saker mentioned,  
17 and you say, has a company which is certified. It may  
18 result in establishing a certified company for this purpose.

19 Q I'm thinking though, Mr.  
20 Burrell, about the local contractors here that will be taking  
21 sub-contractors.

22 A Yes.

23 Q You will require that they  
24 all be certified before they can --

25 A I say that is a possibility  
26 which would enable them to get involved with the work.







Saker, Burrell, Deyell  
Cr Ex by Goudge

1 This matter and certainly other matters are points which  
2 will have to be resolved and settled -- resolved before the  
3 project agreement is finalized and one of the requirements  
4 of course, is that local businessmen be involved with the  
5 project to the greatest extent possible.

6 In setting out such an agreement,  
7 that arrangement will have to be satisfied. Now, what the  
8 technique will be used in order to do that, I can't say  
9 now, but certainly, that is one of our policies and that is  
10 one of the requirements that this project will have.

11 Q But would you be prepared  
12 to contemplate that a condition of that as far as you were  
13 concerned, would be that local contractors would all have  
14 to become organized?

15 A They would all have to  
16 become organized?

17 Q If -- let me put it to you  
18 this way -- suppose the unions bargaining for these project  
19 agreements move in the direction of requiring a clause saying  
20 all sub-contractors must be organized. Surely, Foothills  
21 has to resist that in order to ensure local business  
22 participation in the project?

23 A Here again, we would be  
24 having discussions with the local businessmen to get their  
25 feeling on it and then taking that and working out whatever  
26 arrangement is necessary in order to assure that the local



1 businessman gets involved. To say what that technique is  
2 at this point in time is difficult for me to say. All I  
3 can assure you is that the policies which Foothills has  
4 put forward and the terms and conditions which are contained  
5 in the permit, will be adhered to under whatever arrange-  
6 ments are necessary in order to accomplish that.







1 MR. GOUDGE: Thank you, that concludes the  
2 questions I have, sir, and panel. Thank you gentlemen.

3 MR. CHAIRMAN: That then concludes  
4 questions by all Counsel directed to this particular can.  
5 Mr. Hudson, do you have anything in the way of re-examination?

6 MR. HUDSON: I don't think so, Mr.  
7 Chairman.

8 MR. CHAIRMAN: Thank you. Just one  
9 moment if you could please gentlemen?

10 MR. PHELPS: I just have one or two  
11 questions. I'm wondering whether or not you have done any  
12 studies as to what the overruns would be should you have  
13 a delay in your start-up period? Like one year, two years,  
14 three years, what your cost overruns might be?

15 MR. BURRELL: Perhaps Mr. Saker would  
16 be the best to arrange that. I do know that the financing  
17 arrangement that we have for this project, the financial  
18 plan, it does include an overrun provision. I'd have to  
19 check on what the percentage is unless someone else in the  
20 panel knows off hand.

21 I can get that percentage if you wish  
22 and make that available to you.

23 MR. PHELPS: I see. I've just seen  
24 a press clipping recently which would indicate that it  
25 could be very substantial in the Mackenzie Valley proposals,  
26 and I'm just wondering, I'm interested in knowing how much



1 a year or two delay would mean to you?

2 A I know, like I say, I know we  
3 have provisions in the financial plan. I know there has been  
4 a risk analysis made on the Mackenzie. I would have to, and  
5 I'm sure that it was done on this project. I would have to  
6 check that, but certainly we would be prepared to make that  
7 information available to the Inquiry.

8 MR. PHELPS: Thank you. Another  
9 question, generally regarding the Alyeska analogy. You people  
10 have stated many times that you don't think it's really  
11 appropriate to the proposed construction in Yukon, and of  
12 course, your basic position is fundamentally opposed to that  
13 put forth by the Templeton group, and I'm wondering whether  
14 you have exhausted your reasons before this Board for your  
15 firm position that that analogy really isn't appropriate  
16 that the model really shouldn't be taken to seriously.

17 Would you consider coming forward at  
18 a later time with an exhaustive list of your arguments  
19 supporting your position that the Alaska analogy really isn't  
20 applicable to the Yukon situation?

21 MR. DEYELL: I was going to answer part  
22 of this, and let Mr. Burrell answer the rest of it. I know  
23 of one example which, in my estimation, I believe, is more  
24 applicable to this situation than what the Alyeska one is.  
25 And I'm referring to the Syncrude oil and gas lines which  
26 were built this past spring, and the latter part of the winter.



1                                There was three spreads of construction  
2 equipment hit the area between Fort McMurray and about 230  
3 miles south of there embraced two spreads of 70 miles apiece  
4 of 22-inch pipeline, and one of 160 miles of 16-inch. There  
5 were three spreads of approximately 300 men per spread,  
6 there were three camps established in the area. There was  
7 approximately 300 truckloads of equipment and camp in and  
8 out of each of the three spreads in the course of a period  
9 of two to three months. This was a concentration of work  
10 that was done, starting in mid-January and ending the  
11 end of March, early April.



1                                   The vehicle loads that I'm talking  
2 about, the 300 in and out, excluded the hauling of pipe. There  
3 was an average of 20 to 25 loads of pipe per day over that per-  
4 iod of time moved on that highway. This is on a job which, in  
5 my estimation, is reasonably comparable to this job to the  
6 Yukon. In that, you had the heavy traffic going in and out  
7 of Fort McMurray for the Syncrude Project. It was prevalent  
8 at that time, it is a route that follows a highway. There is no  
9 other way of getting in and out of the Fort McMurray area.  
10 It's a paved highway, which differs, of course, from the  
11 Alaska Highway, but it does demonstrate a concentration of  
12 about 1,000 men in three camps, in a short period of time,  
13 heavy traffic, probably the worst winter for construction that  
14 Alberta has seen in the last 15 years in that instead of hav-  
15 ing cold weather which we depend upon to operate in the north  
16 in Alberta, we got a mild winter and we had mud and it was  
17 bad. They finished the job on time and my information is that  
18 there was relatively little impact on the medical, dental and  
19 social activities in the Fort McMurray area and there's no  
20 question there would be some impact, but it was relatively  
21 minor.

22                                   As far as I'm aware, there was only  
23 one serious vehicular accident. There was one in which a truck  
24 and a bus collided and I believe there were a couple of people  
25 killed, but there was not a rash of industrial accidents asso-  
26 ciated with the project.



1                               If there had been a considerable  
2 impact on the area, I'm sure that it would head line news in  
3 the Province of Alberta and it was not. I believe that Mr.  
4 McLeod will have further information with respect to this  
5 project, when he gets to talking about in-migration. I  
6 give that to you as an indication of something which we think  
7 is more applicable in comparing this project to the Alyeska  
8 one. We believe that the Alyeska one got completely out of  
9 hand and it was so much larger than this one would be. Now  
10 I say that in light of we're talking in terms of a maximum  
11 number of employees of around a little over 2,000. I referred  
12 you to the one in Fort McMurray, which was 1,000, so you're  
13 talking in terms of one being twice the other with respect to  
14 manpower and if you are comparing Alyeska man power, peak man  
15 power, to this one, I believe it was said it was something  
16 like ten times. That's why I say it's probably a little bit  
17 more applicable to that and Mr. McLeod will have some further  
18 information on that for you.

19                               Now, with respect to the analysis  
20 you were referring to, I'd like Mr. Burrell to answer that  
21 one so he can commit whatever he would like to it.

22                               MR. BURRELL: Well, first of all,  
23 I hope we haven't left the impression that we shouldn't be  
24 looking at the Alyeska situation, because, we feel there are  
25 things that we can learn and things that have happened on  
26 Alyeska that we can develop procedure policies for and we in



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1 fact have, to minimize the situations which have happened in  
2 Alaska.

3 I think our real point here though is  
4 that we do not believe that you can do a cross the board  
5 comparison between our proposed project and Alyeska, because  
6 there are, in our opinion, many differences between the  
7 proposals. What we're saying that, yes, you should look at  
8 the Alyeska, but look on it in light of the differences between  
9 the two proposals. Also we're saying that it's important, too,  
10 to not only consider the Alaska experience, but also to consid-  
11 er the experiences which have occurred in Canada, such as the  
12 situation in Fort Nelson, the situation in Fort McMurray.  
13 That's, really, our position on that.

14 Now, as far as the comparison is  
15 concerned, if you would like that we'd be pleased to do that  
16 and, in fact, it may be an item that could be addressed in our  
17 next panel that appears.

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1 MR. PHELPS: What I'm really looking  
2 for is, I realize your position, with respect to the Alyeska,  
3 but what I would like to be sure of is that we've got all  
4 the differences that you think make it not applicable. In  
5 other words, I want to make sure that we have your position  
6 on the basic models and, if you have information with respect  
7 to the McMurray project or Fort Nelson or anything else,  
8 some other kind of model to compare it with, because it seems  
9 to me that we will have to give some weight to the analogy  
10 of the Alyeska.

11 A Right. Yes we'll be pleased  
12 to do that.

13 MR. HUDSON: I wonder, Mr. Chairman, if  
14 I could comment more in line with the question, I don't  
15 intend to give any evidence, but I would draw Mr. Phelps'  
16 attention to page 501 of the Templeton report which was  
17 dealt with in cross-examination in which it stated that  
18 based on relevant information, we conclude that much of  
19 the adverse social and economical impact which characterized  
20 construction of the Alyeska pipeline can be avoided in Yukon  
21 Territory. So that implicit in the question was some kind  
22 of diametric opposition, and I don't think that the question -  
23 that that is necessarily the case.

24 MR. DEYELL: Mr. Phelps, I didn't want  
25 to leave the impression with you that I was suggesting that  
26 you should not examine Alyeska. I quite agree with Mr. Burrell



1 that there are many very good lessons to be learned from  
2 Alyeska and it should be examined very closely.

3 MR. PHELPS: No, I realize that. Again  
4 it's just a matter of weight, I suppose. We would like to  
5 have your complete argument on the basic model.

6 A Fine.

7 MR. CHAIRMAN: I'd like to thank the  
8 members of the panel for their presentation. Just before  
9 we adjourn, Mr. Goudge, do you have anything to tell us  
10 about the proposed order of proceedings when we get back  
11 here at 2 o'clock.

12 MR. GOUDGE: Yes, this afternoon, sir,  
13 I propose to ask Mr. Hudson to call his next panel, which  
14 is the Nortran panel. I would anticipate that that might  
15 take the better part of the afternoon. I'll perhaps  
16 endeavor over the lunch break to see just how that looks  
17 and to see what else we might be able to hear today, in  
18 order to avoid having to hear it tomorrow.

19 (Witnesses Aside)

20 MR. CHAIRMAN: Thank you, we'll  
21 adjourn now until 2 o'clock.

22 (PROCEEDINGS ADJOURNED)

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(PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT).

MR. CHAIRMAN: Perhaps we could  
recommence now, Mr. Goudge.

MR. GOUDGE: Yes sir. I'll  
turn it over to Mr. Hudson who has his next Panel to intro-  
duce for Foothills Pipeline.

MR. HUDSON: Thank you, Mr. Goudge.  
Mr. Chairman, the next Panel is a panel of persons involved  
in the Northern Petroleum Industry Training Program known  
as Nortran. Firstly, they've asked me to indicate that  
they have very high hopes of catching the aircraft this  
afternoon since, if they don't, they cannot get on tomorrow  
and it would extend them into the long weekend and as this  
is their second trip here to appear, I'm hoping that they  
can be granted whatever indulgence is required for that.

The members of the Panel are  
Mr. Barry Virtue, Mr. Art Giroux and Mr. Richard Behn and  
they will provide their curriculum vitae in the course of  
the giving of their testimony and I will commence with Mr.  
Virtue.

ART GIROUX, Sworn;

BARRY VIRTUE, Sworn;

RICHARD BEHN, Sworn.

Would you state for full name,  
address and present employment.

MR. VIRTUE: My name is Clare



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1 Barrymore Virtue, of 3414 Lane Crescent, S.W., Calgary,  
2 Alberta and I am Manager of the Northern Petroleum Industry  
3 Training Program.

4 Q Please outline your  
5 education and professional experience.

6 A I received a BSc from the  
7 University of Manitoba in 1952. I attended the Business  
8 Management Development Program at the University of Calgary.  
9 I attended the Banff School of Advanced Management in 1975.  
10 I spent 11 years as a geophysicist in petroleum exploration  
11 in Western Canada, and 10 years in adult education, two of  
12 those years an instructor of the Southern Alberta Institute  
13 of Technology; six years in administration with the Division  
14 of Technical and Vocational Education, Province of Alberta;  
15 in two years as Provost or Vice-President of Mount Royal  
16 College.

17 I have now been four years in my  
18 present position as Manager of Nortran.

19 Q Please list your professional  
20 affiliations in related activities.

21 A I am a professional geo-  
22 physicist, a member of the Association of Professional  
23 Engineers, Geologists and Geophysicists of Alberta, a member  
24 of the Canadian Society of Exploration of Geophysicists,  
25 a member of the Alberta Association for Continuing Education,  
26 Vice President for two terms; a member of the Canadian



1 Vocational Association, Past Chairman of the Technical Vocational  
2 Advisory Committee to the Minister of Advanced Education and  
3 I was a member of the Canadian Government delegation to  
4 International Labour Organization Conference in Geneva,  
5 Switzerland on training of petroleum workers in under-  
6 developed countries.

7 Q Mr. Virtue, would you  
8 describe and discuss the Industry based Training Program  
9 known as Nortran, Northern Petroleum Industry Training  
10 Program.



15 To put my remarks in context, I  
16 would like to briefly review my understanding of certain  
17 events leading up to the development of Nortran in it's  
18 activities. In the mid and late 1960's, the petroleum  
19 exploration increased significantly in the Northwest Territories,  
20 led by Imperial, Gulf, and Shell, the exploration activities  
21 in the Mackenzie Delta resulted in the discovery of large  
22 quantities of natural gas, and indications of potentially  
23 large oil reserves. During the course of these operations,  
24 the three companies employed and trained northerners in  
25 the normal course of their operations. Many skills related  
26 to the exploration activities were required by northerners



1 being trained on the job.

2 The discovery of these large reserves  
3 of natural gas led to the formation of two groups to study  
4 the feasibility of a natural gas pipeline from the Arctic.  
5 The two groups were known as Gas Arctic Systems in the  
6 Northwest project studies group.

7 In January, 1971, Alberta Gas Trunk  
8 Line, a member of the Gas Arctic Systems, initiated an  
9 imaginative training program for residents of the Northwest  
10 Territories and Yukon. The trainees were located at  
11 Rocky Mountain House, Alberta and approximately 16 northerners  
12 were involved initially. The program used Alberta Gas  
13 Trunk Line facilities at Rocky Mountain House for orientation  
14 and familiarization with the gas transmission industry, and  
15 emphasized the training on the job approach for occupations  
16 in pipeline operations and maintenance.

17 In 1972, a major report commissioned  
18 by the Northwest Project Study group had been completed by  
19 the Boreal Institute for northern studies at the University  
20 of Alberta.

21 This report examined a number of  
22 previous programs for training northerners, including Alberta  
23 Gas Trunk Lines, demographic data, educational levels, and  
24 other pertinent matters. From this data, suggestions and  
25 recommendations were made as to how a northern work force  
26 for an operating pipeline might best be trained.



1 In June, 1972, the Department of  
2 Indian Affairs and Northern Development issued a document  
3 entitled, "Expanded Guidelines for Northern Pipelines".  
4 Among other things, these guidelines clearly stated that if  
5 there was to be economic development in the north, northerners  
6 must have the opportunity to benefit by that development.

7 One of the ways in which the government  
8 would attempt to ensure that northerners would benefit from  
9 resource development, was to require that northerners be  
10 given maximum opportunities for training and employment at  
11 all levels by companies carrying on their operations north  
12 of 60.

13 With the merger of the Gas Arctic  
14 Systems and Northwest Project Study groups in mid 1972 to  
15 form Canadian Arctic Gas Study Limited, a co-ordinated  
16 effort towards development, implementation and administration  
17 of a training program for northerners was begun in early  
18 1973.

19 These efforts resulted in Canadian  
20 Arctic Gas Study Limited forming a training group to administer  
21 a program in which Alberta Gas Trunk Line, Gulf, Imperial,  
22 and Shell were all major participants. TransCanada Pipeline  
23 joined this group in early 1974. In October 1974, Alberta  
24 Gas Trunk Line withdrew from the Canadian Arctic Gas  
25 consortium, to form Foothills Pipelines Limited. This  
26 resulted in the formation of an independent group called



1 Nortran to administer the on-going training program on  
2 behalf of Foothills Pipeline, Canadian Arctic Gas, and  
3 the other five participants previously mentioned.

4 The activities of Nortran are  
5 directed by a steering committee, made up of senior  
6 personnel representing the participating companies.

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1                                   The training program has developed  
2 the following objectives: first, to provide training and  
3 employment opportunities for northern residents in all phases  
4 of the petroleum industry.

5                                   Second, to involve northerners and  
6 and appropriate government agencies in the development and  
7 implementation of the program.

8                                   Third, to emphasize a career deve-  
9 lopment approach that will provide individuals with continuing  
10 opportunities for training and development for as long as the  
11 individuals were motivated and capable of progressing in their  
12 chosen vocation.

13                                  Some important concepts were involved  
14 in developing the program with these objectives. One of  
15 these concepts was that major emphasis would be given to  
16 providing to the extent possible and practical, transferrable  
17 skills in order that individual trainees would acquire maxi-  
18 mum job mobility in the labour market.

19                                  In addition, it was decided to  
20 utilize a training-on-the-job approach, supplemented by  
21 theory or more formal institutional training as required.  
22 This immediate "hands-on" experience would provide relevancy  
23 and hopefully, motivation for trainees to attempt formal  
24 training programs which might be required in the future.

25                                  Also, it was recognized that because  
26 of circumstances in the North, educational job entry requi-



1 rement would have to be reduced from those normally required.  
2 The participating companies agreed to accept trainees with  
3 lower entry requirements, provided Nortran could make avail-  
4 able the opportunities for upgrading educational levels  
5 when required.

6 By working with government agencies  
7 responsible for these matters, the opportunities are being  
8 provided. It was believed from the beginning that a great  
9 deal of flexibility must be maintained in the program. This  
10 flexibility has been maintained to a significant degree, and  
11 new or different approaches have been attempted as changing  
12 circumstances and situations warrant.

13 It should be noted that until re-  
14 cently, Nortran's major efforts have been in the Northwest  
15 Territory. However, with the filing of the Alcan proposal,  
16 an increased interest in training and employment in the  
17 petroleum industry in the Yukon, is becoming evident.

18 We are presently responding to this  
19 fact, and are devoting more effort in this area. In imple-  
20 mentation of the training program, the following major com-  
21 ponents are considered important. First, career job informa-  
22 tion. An important component of any training and employment  
23 program is effective communication with the appropriate segment  
24 of the population. With this in mind, visits by Nortran staff  
25 are made to communities, high schools and vocational training  
26 centers.



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1 Career information regarding the  
2 petroleum industry is presented and discussed with students  
3 and interested persons in the communities. Job and training  
4 opportunities are discussed and described to interested  
5 persons living in those communities visited.

6 In addition, meetings have been  
7 held with students from the Northwest Territory and the Yukon  
8 attending post-secondary institutions in Alberta, to discuss  
9 careers and job opportunities in the petroleum industry.  
10 Through these efforts, we hope to achieve some understanding  
11 and appreciation of job opportunities, training and educational  
12 requirements, and working conditions in the petroleum industry.

13 In this manner, northerners will be  
14 assisted in making informed choices in their jobs and careers.

15 Secondly, recruitment and selection.  
16 In order to be as effective as possible in recruitment and  
17 selection of suitable trainees, it is believed necessary to  
18 carry on these matters in cooperation with government agencies  
19 who have responsibility for employment and manpower development  
20 in the territories.

21 With this in mind, our efforts have  
22 been co-ordinated and carried out in cooperation with repre-  
23 sentatives from Canada Manpower, Northwest Territory Employment  
24 Division, the Government of the Yukon and DINA.

25 It is our belief that in so doing  
26 a more complete range of industry government services



1 and opportunities can be made available to individuals de-  
2 siring training and/or employment.  
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1 Thirdly, Trainee Orientation. To as-  
2 sist in preparing the prospective trainees for training or  
3 employment in the petroleum industry, an orientation program was  
4 developed. This program is offered at the Adult Vocational  
5 Training Centre in Fort Smith and financed by Canada Manpower,  
6 for all those trainees deemed eligible under their criteria.  
7 The program consists of safety, first aid, fire fighting, dri-  
8 ver training and education, job information, money management,  
9 and some life skills exposure.

10 All trainees are tested to determine  
11 the education grade level at which they are functioning,  
12 which assists in planning their future training activities.  
13 Trainees completing the orientation program are then moved  
14 directly to the industry training on-the-job site, with their  
15 families if they are married.

16 Fourth, Industry Supervisor Seminars.  
17 In order to prepared industry supervisors and co-workers who  
18 are or maybe responsible for training Northerners, a number  
19 of two day seminars were organized. These seminars have been  
20 held in both Fort Smith and Yellowknife and usually are planned  
21 to coincide with trainee orientations previously mentioned,  
22 so that the new trainees may have the opportunity to meet their  
23 future job supervisor.

24 The seminar attempts to provide the  
25 industry supervisors with a detailed understanding of the  
26 Nortran program, government's involvement, and the supervisor's



1 role and responsibilities in the program. In addition, govern-  
2 ment representatives describe their association with the pro-  
3 gram and representatives from native political organizations  
4 assist by providing an opportunity for the supervisors to dis-  
5 cuss training and employment issues, as viewed from a northern  
6 native perspective.

7 Five, Monitoring and Evaluation. In  
8 order to monitor the training on the job and evaluate the indi-  
9 vidual trainees progress, a system using the DACUM <sup>/approach</sup> was adopt-  
10 ed. DACUM is an acronym meaning "Develop a Curriculum". A  
11 skill profile is developed listing all the tasks in logical  
12 sequence that an individual must be able to perform in order  
13 to be proficient in a particular vocation.

14 Industry training co-ordinators on  
15 Nortran staff use the DACUM system to monitor and evaluate  
16 the trainee's progress on a regular basis. The need for up-  
17 grading, special skill training or other problems on the job  
18 are identified by this means. Arrangements are made with the  
19 employing company to modify or correct situations that are  
20 likely to create problems in the trainee's progress and develop-  
21 ment.

22 Number six, Counselling Services.  
23 In order to assist trainees adapt to living conditions and  
24 working conditions in the petroleum industry, Nortran provides  
25 two distinct counselling services. One aspect, provided by  
26 the northern counsellors, assists the trainees and families in



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relocating to the training sites, introduces them to their job supervisors and co-workers, and familiarizes the trainees with the community and resources and facilities available. The Nortran Counsellors are on call for assistance and guidance in any personal or family matters and provides support to the trainee and family in meeting the job responsibilities.

A second function is provided by the industry training co-ordinators for the trainees, which consists of educational and career guidance. As trainees progress through the DACUM system, they have available the services of the industry training co-ordinators in arranging upgrading programs, special technical courses and other training which might be required to continue development on the job.

Number Seven, Government Contributions to Training Efforts. Various government agencies have contributed to the development and implementation of the Nortran program. The Northwest Territories and Yukon Governments each provided an industry training co-ordinator on a secondment basis to Nortran. These individuals were involved in the planning and development of many aspects of the program, in particular the DACUM system in the trainee orientation.

The Federal Department of Manpower and Immigration has also been providing assistance to the trainees and Nortran.

Training on the job contracts are negotiated with Canada Manpower for most of the southern train-



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1 ing positions and some in the Delta, whereby Canada Manpower  
2 reimburses a percentage of the direct wage costs during the  
3 trainees initial period on the job.

4 In addition, the Manpower Mobility  
5 Program has been very helpful in relocating trainees from the  
6 Northwest Territories and Yukon to training sites in Alberta,  
7 Saskatchewan and Manitoba.

8 Number eight, Trainee Meetings.  
9 From time to time, Nortran has arranged general meetings of  
10 the trainees in Alberta and Saskatchewan and in the Delta, to  
11 discuss and recommend improvements in policies and programs  
12 administered by Nortran. We believe this gives the trainees  
13 an understanding of policies and procedures in effect at that  
14 time and gives Nortran an appreciation of the concerns and  
15 problems of the trainees and an opportunity to respond to their  
16 needs.







1 petroleum industry because this is where we believe the long  
2 term career oriented type of jobs and positions will be.

3                   However, in addition to these efforts,  
4 Nortran has made some modest efforts in providing work  
5 experience for northerners in both pipeline and civil  
6 construction projects. In the summers of 1975 and 1976,  
7 Nortran, in co-operation with Alberta Gas Trunk Line,  
8 Canadian Arctic Gas, Canadian Pipeline Advisory Council,  
9 and Canada Manpower was able to provide work experience on  
10 Alberta Gas Trunk Line construction projects in Alberta for  
11 a number of northern residents.

12                   In addition, Shell Canada Resources  
13 Limited has made some positions available in civil  
14 construction and gas plants in 1976 and 1977. The ability  
15 of these northern persons to adapt and cope in this  
16 environment is indicated by the fact that three young people  
17 were offered continuing employment on the inter-provincial  
18 pipeline extension being built from Sarnia to Montreal, and  
19 performed successfully in that environment.

20                   The co-operation, assistance, and  
21 understanding received from both unions and contractors in  
22 this endeavor is reason for optimism that northerners will  
23 have ample opportunity to participate in pipeline construction  
24 projects, if they choose to do so.

25                   A major problem will have to be  
26 resolved by the companies participating in Nortran, is ways



1 and means to provide continuing opportunities for current  
2 Nortran trainees to progress and develop as tradesmen and  
3 technicians during the construction period.

4                                 During construction it is anticipated  
5 that high rates of pay will be available in the North for  
6 many jobs in the unskilled and semi-skilled areas. These  
7 jobs will be an obvious attraction to northerners presently  
8 being trained and employed in the South. It is our belief  
9 however, that through careful co-ordination and co-operation  
10 of the various jurisdictions involved, Nortran trainees can  
11 participate in the construction projects, in work related  
12 to their training and experience in the operational areas,  
13 and become better prepared for jobs in the operational phase  
14 of the proposed pipeline and gas plants.

15                                 On behalf of our sponsoring companies,  
16 Nortran has participated in exploratory discussions with  
17 Federal and Territorial Government officials regarding what  
18 we refer to as a manpower delivery system, which would function  
19 for at least the duration of the construction period. It is  
20 hoped that such a system would have the support of all the  
21 relevant jurisdictions involved in training and employment  
22 during construction of pipelines and gas plants in the  
23 Territories, and that a co-ordinated approach to these matters  
24 will ensure maximum opportunities for northern residents.

25                                 In conclusion, my experience in this  
26 program to date leads me to believe that with continued



1 co-operation between government, industry, unions, and  
2 northerners, a competent capable work force from the Northwest  
3 Territories and Yukon can be prepared to fill their role in  
4 manning and operating the petroleum facilities in Northern  
5 Canada.

6 MR. HUDSON: Thank you Mr. Virtue.  
7 The next witness on the panel is Mr.  
8 Art Giroux.

9 Please state your name, address, and  
10 present employment?

11 MR. GIROUX: Arthur Raymond Giroux,  
12 4303 Viscount Drive, Northwest Calgary, Alberta. I am  
13 presently employed by Northern Petroleum Industry Training  
14 Program as Assistant Manager.

15 Q Please outline your education  
16 and your work experience.

17 A I have completed high school  
18 and post-secondary courses in electronics, forest and wildlife  
19 conservation and in industrial development.

20 I worked six years with Northern Alberta  
21 Railway Company in the Fort McMurray area, and seven years  
22 with the Alberta Department of Lands and Forests as a  
23 Forest Officer, primarily in the Fort McMurray and Fort  
24 Chipewyan areas of northeastern Alberta. I spent two years  
25 as Forest Management Officer at Wood Buffalo National Park,  
26 Fort Smith, Northwest Territories, and three years as



1 Industrial Development Officer with the Federal Government  
2 and Territorial Government at Fort Simpson, Northwest  
3 Territories. For the past seven years, I have been involved  
4 with the Northern Training Program.

5 Q Would you please comment in  
6 greater detail on your experience with native pursuits and  
7 lifestyles?

8 A The nature of my work experience  
9 has brought me in close contact with native pursuits and  
10 lifestyles. I have been directly associated with, and  
11 provide assistance to endeavors in the North, such as  
12 market gardening, saw mills, fishing lodges, commercial  
13 fishing, and fish processing, river guiding, arts and crafts,  
14 retail merchandising, training and employment, boat  
15 construction, and the organization of labour pools. I was  
16 elected Chairman of the first Fort Simpson Hamlet Council  
17 in 1968. In addition to being born and raised in northern  
18 Alberta, I have worked and resided in the North for  
19 approximately thirteen years. In addition, my job  
20 responsibilities have enabled me to maintain a close relation-  
21 ship with the Yukon and particularly the Northwest Territories  
22 during the past seven years.

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25 (3) Travel assistance and travel  
26 time when returning home for vacation.



1 (4) Training methodology based  
2 primarily on training on the job, with early promotion to  
3 responsible positions based on individual merit and compet-  
4 ence.

5 (5) A supervisor to assist all  
6 trainees and families in their adaptation to a new and  
7 sometimes alien work and living environment.

8 In the late Fall of 1970, sixteen  
9 northern residents representing eleven communities in the  
10 Northwest Territories and the Yukon, were selected in co-  
11 operation with the Government of the Northwest Territories  
12 and Canada Manpower in the Yukon.

13 These new trainees comprised of  
14 Indian, Metis, white and Inuit where headquarter, Rocky  
15 Mountain House in West Central Alberta. This community of  
16 3,500 hundred persons was selected as the initial training  
17 centre mainly because of the environment and small town  
18 atmosphere similar to the North in many respects and the  
19 close proximity to major pipelines and associated operational  
20 facilities.

21 Upon arriving at Pock Mountain  
22 House, the trainees received medical and audio examinations  
23 and driver and first-aid training. They were also given  
24 demonstrations and instructions on safety equipment and  
25 procedures. They visited the company's head office and  
26 service centre where they received information about the



functions of various technical crews and departments.

They were then divided into small groups for approximately ten weeks exposure to the various operating departments on a rotational basis. This provided the opportunity for supervisors to assess each individual and provided some basis for choice of future training and career development. Those persons academically qualified for technical training, were to spend some time being trained as proficient gas transmission operators, prior to entering technical apprenticeship programs.

The trainees were also assisted and encouraged to participate in community recreational functions such as hockey, curling, basketball, badminton, et cetera. A recreational highlight was a return North of a trainee hockey team for a series of hockey games.

A familiarization and indoctrination period of approximately three months was followed by trainee transfers to various locations throughout the Alberta Gas Trunk Line system in Alberta, where a sufficient workload and opportunities were available to accommodate additional staff.

Eventually, the northerners, who for the most part, adapted to their environment and responsibilities very well, were integrated into the regular workforce where many remain today, awaiting the opportunity to return North.



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1 During the course of the AGTL  
2 program and prior to the merger and subsequent transfer  
3 of administration to Canadian Arctic Gas in May, 1973, the  
4 number of trainee positions was increased to 25. AGTL  
5 Management felt that any additional numbers would be  
6 difficult to place within the company on a permanent basis,  
7 should the pipeline application be rejected.

8 Recruitment and selection was main-  
9 tained on a continuous intake basis during the course of  
10 the AGTL program until May, 1973. Subsequently, 20 trainees  
11 and a supervisor were placed under the administration of  
12 the newly formed and expanded Canadian Arctic Gas program.  
13 At that time, thirteen trainees who had commenced training  
14 in 1971, still remained with the program.

15 Total attrition over the three and  
16 a half year period was 44 per cent. The original AGTL  
17 program which, through merger, evolved in 1973 into the  
18 Canadian Arctic Gas Program, eventually became known as  
19 Nortran in late Fall, 1974.

20 Q Would you briefly, discuss  
21 how the program functions and provide some information on  
22 the progress and levels of accomplishment which have been  
23 attained by certain trainees.

24 A The emphasis of the training  
25 program is on career development rather than straight employ-  
26 ment. The primary objective being to assist each trainee to



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1 reach the highest level possible within a job hierarchy  
2 based on individual capability and motivation. To broaden  
3 the scope of recruitment and to accommodate those persons  
4 most in need of training and employment, the participating  
5 companies have lowered basic standards of academic qualifi-  
6 cations and experience which are usually mandatory for  
7 southerners seeking similar positions.

8 Thus, the onus falls on Norton  
9 to provide the trainees with the necessary upgrading to  
10 acquire the skills required for occupational progression  
11 on a competitive basis with their southern co-workers.  
12 Examples can be cited of trainees selected with minimum  
13 education requirements, where after a period of exposure  
14 to pipeline operation, have been enrolled in vocational  
15 schools for up to eight months of general upgrading. This  
16 prepared them for entrance examinations and subsequent  
17 indenture into technical apprenticeship training programs.

18 One trainee, an Inuit from the  
19 Central Arctic who joined the AGTL program in 1971, functioned  
20 at about a grade six level and experienced considerable  
21 difficulty in communication, both written and verbal. Today,  
22 following exposure to the industry and upgrading at an  
23 Alberta vocational centre, he holds a regular job as an  
24 apprentice gas measurement technician.

25

26



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1 Many trainees are able to cope with  
2 home study courses, supplemented by tutoring, short institution-  
3 al courses or night classes as required. There has been some  
4 fine progress in the fields of power engineering, electrical  
5 and mechanical trades, gas production, processing, transmission,  
6 and related maintenance trades. Some trainees have received  
7 journeymen status and other apprentices and technician trainees  
8 are well on their way to becoming qualified in their respective  
9 trades.

10 In addition, there has been some  
11 construction trade training, which traditionally is of a tempor-  
12 ary or seasonal nature and other short term employment in which  
13 Nortran has assisted approximately 50 northerners to find  
14 employment. However, the emphasis is still placed on permanent  
15 long-term training generally related to Operations and Mainten-  
16 ance of facilities.

17 Q Would you provide some addi-  
18 tional information on some of the program components described  
19 by the manager of Nortran?

20 A Number one, Community Infor-  
21 mation. Over the past five years, all communities in the  
22 Mackenzie corridor have been visited, many several times, and  
23 also several communities in the Yukon, Whitehorse, Old Crow,  
24 Dawson, Watson Lake and Upper Liard, to provide information  
25 to persons interested in participating in Nortran. These visits  
26 are often arranged and conducted in co-operation with the



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1 employment divisions of the governments of the NWT and Yukon,  
2 and Canada Manpower.

3 Originally, the main purpose of these  
4 visits was to inform northern residents of job and training  
5 opportunities within the industry, however, the format has  
6 changed somewhat in that we are now searching out in advance  
7 those individuals who have applied for training, and we combine  
8 personal interviews with information.

9 Nortran is apprehensive about trans-  
10 planting contented persons from a satisfying livelihood and  
11 environment to a wage-economy situation under false pretenses.  
12 It is not only detrimental to the individuals, but to the  
13 credibility and operation of the training program as well.  
14 We do our best to present the facts, good and bad, about the  
15 commitment and responsibilities which fall hand in hand with  
16 training and employment in the north or south.

17 . This task falls primarily on the  
18 shoulders of our Nortran counsellors, native northerns them-  
19 selves who can best communicate with other northerns and des-  
20 cribe in some detail the advantages and disadvantages of parti-  
21 cipating in the program. They discuss job requirements, living  
22 conditions, and the loneliness, discrimination and difficulties  
23 of adjusting to an often alien environment and society.

24 Special benefits available to Nortran  
25 trainees are explained in some detail. They include subsidized  
26 accommodation and vacation travel costs, extra vacation travel



1 time, transportation on shift changes north of 60, counselling  
2 services and upgrading programs.

3 Two of our current counsellors were  
4 originally Nortran trainees themselves and have experienced  
5 firsthand the difficulties and frustrations, as well as the  
6 personal satisfaction of accomplishing the goals they set for  
7 themselves.

8 Another effective means of communica-  
9 tion about Nortran occurs when trainees return to their home  
10 communities on vacation.

11 Number two, Recruitment and Selection.  
12 This process is obviously one of the most difficult and vital  
13 components of the program. Naturally, high turn-over and poor-  
14 ly motivated recruits have a detrimental effect on the attitudes  
15 of supervisors. Nortran counsellors are largely responsible  
16 for this function. In most cases they are personally knowledge-  
17 able of many of the applicants. Each counsellor interviews and  
18 assesses applicants from the region he's most familiar with.  
19 Applications for training are received by Nortran through a  
20 number of sources: directly from applicants, referrals from  
21 Canada Manpower in Northwest Territories and Yukon Governments,  
22 and other trainees, participating companies, Nortran counsellors  
23 and other staff, Northwest Territories high school counsellors,  
24 Yukon Vocational and Technical Training Centre.

25 We attempt to fill the vacancies  
26 which occur as a result of regular turn-over on a continuous



1 intake basis from an eligibility list.

2 Interviews are conducted any time  
3 our staff visits the north. In addition, twice a year, we  
4 initiate major recruitment programs in co-operation with Canada  
5 Manpower and the Government of the NWT, who provide representa-  
6 tives to accompany us to the communities. We also visit White-  
7 horse to visit applicants referred to us by the Government of  
8 the Yukon and Canada Manpower.

9 It might be interesting to note that  
10 to date, we have approximately 600 applications for future  
11 training opportunities. This is some indication of the inter-  
12 est the program has generated amongst Northerners.

13 In conclusion, it should be noted  
14 that knowledgeable community residents are often consulted for  
15 their opinions and recommendations concerning applicants for  
16 the program. Occasionally, under special circumstances, it  
17 is possible to bring an individual to the actual work site for  
18 an interview, which might include the plant superintendent or  
19 foreman. Logistics generally make this rather difficult and it  
20 is more the exception than the rule.

21 Number three. Trainee Orientations.  
22 These programs are usually held twice a year at the Alberta  
23 Vocational Training Centre, Fort Smith, when a substantial  
24 number of positions, perhaps twelve or fourteen, are available  
25 either newly created by the participating companies or through  
26 normal attrition.



26



1 It is very encouraging to observe the  
2 change in attitude that often occurs as a result of our  
3 industry supervisor seminars. The most negative often  
4 become our strongest supporters. However, an attitude of  
5 acceptance and co-operation must also be imparted to the  
6 co-workers. So, in addition to these seminars, Nortran's  
7 staff visit all training sites regularly to explain to  
8 everyone the objectives and reasons for the program, and  
9 particularly why special benefits are offered to the trainees.

10 It should be noted that we have always  
11 received excellent co-operation, support and participation  
12 from the Yukon Indian Brotherhood and the Yukon Association  
13 of Non-Status Indians. We have conducted eleven seminars  
14 which included 255 representatives of participating  
15 companies.

16 In addition, joint meetings of the  
17 steering committee, and industry supervisors were held  
18 at Trout Lake on June 15th, and 16th, 1974 with twenty  
19 representatives in attendance, September 13th, and 14th, 1975  
20 with twenty-two representatives in attendance, and  
21 September 18th, and 19th, 1976 with twenty-two representatives  
22 in attendance.

23 Number Five. Counselling Services.  
24 The program simply would not succeed without the counsellors.  
25 Nortran has six counsellors, all northerners, three of whom  
26 are native. We are presently in a process of hiring



1 -- that's a mistake -- we have hired, no pardon me -- we  
2 are presently in a process of hiring a native female  
3 counsellor. Having acted directly in that capacity for three  
4 years, I am convinced that most northerners, many of whom  
5 have never been south, or employed in a wage economy on  
6 a permanent basis in the south or north, simply could not  
7 cope without the added support of a counsellor, who must be  
8 a friend and confident. It is an extremely difficult role,  
9 as a counsellor must walk the line between trainee and  
10 supervisor, gaining the trust and respect of both, while  
11 often being called to act as an intermediary in conflicting  
12 situations. Rather than describe the role of the counsellor  
13 any further, we are pleased to have Mr. Richard Behn on  
14 this panel who will speak on the subject later.

15 In conclusion, I would like to make  
16 one or two comments on the program in general.

17 Many people gauge the success of any  
18 training or special employment program largely on the  
19 attrition rate. Common to industry and government alike  
20 we experience and expect a certain amount of turnover within  
21 the program. Combined attrition for all seven participating  
22 companies for the year ending December 31st, 1976, was  
23 approximately 35 per cent. The drop-out rate for trainees  
24 located in the Delta usually exceeds that in the South.  
25 Training opportunities in the Delta exploration field are  
26 often not as attractive, other jobs are plentiful and home



1 often too accessible.

2                   Traditionally, these types of jobs  
3 experience a high turnover of staff. Most program drop-outs  
4 are not considered failures. I believe some have gone on  
5 to other jobs better equipped and qualified through their  
6 exposure to the training program.

7                   Many have experienced living in the  
8 South and are much more appreciative of job commitments and  
9 responsibilities required in both the northern and southern  
10 work environment.

11                   In my opinion, the main factor causing  
12 drop-outs, particularly in the South, is loneliness. Many  
13 drop-outs have applied to rejoin the program and some have  
14 returned, depending on circumstances that led to their  
15 termination.

16                   When judging the significance of a  
17 drop-out rate as it relates to a program success, remember  
18 that we are looking for total commitment on a career oriented  
19 basis of northerners, many of whom are very unsophisticated,  
20 have less than a high school education, and know very little  
21 about the industry. How many persons sitting in this room  
22 today are employed at the same job that they selected upon  
23 completion of school? Very few I would suggest, yet we  
24 expect it of northerners who have much less opportunity to  
25 make a wise decision. That is why it is so important for  
26 these young people to receive the support and encouragement



1 of all northerners back home if they are to succeed.

2 Finally, I would like to state that  
3 the overall rate of attrition, occupational progression,  
4 and adaptation to a wage economy and largely southern  
5 environment has indicated that many trainees have been  
6 successful in their endeavours. A number of them have reached  
7 the level of competency required to function in the technical  
8 and operating categories of a northern pipeline and gas  
9 plants. They are training other northerners in the south.

10 Clearly, the most significant problem  
11 facing the trainees, and consequently the program, is  
12 loneliness. This applies particularly in the south where  
13 many wives and families experience difficulty coping with  
14 the problems. We now have a female counsellor and are in  
15 the process of adding another to deal with this problem.

16 I have always personally maintained  
17 that if northerners do not benefit substantially in terms of  
18 meaningful jobs and training as a result of petroleum  
19 development, then that development should not occur. Over  
20 the period of my involvement with this program, I have  
21 become convinced of the sincerity of the efforts of the  
22 participating companies to make this program succeed. If  
23 this were not the case, I would not be part of it. My  
24 continued participation in this program is also indicative  
25 of my belief that the program is in the best interests of  
26 northern people, and my optimism that the program can



1 succeed in meeting it's objectives.

2 Q There are some appendixes  
3 attached, is that correct, and they are listed in the 21st  
4 page of your --

5 A That is correct, Mr. Hudson.

6 Q -- they are all self-  
7 explanatory?

8 A They are.

9 Q Thank you.

10 Mr. Chairman, the next witness is  
11 Mr. Richard Behn.

12 Mr. Behn, would you please state your  
13 name, address and present employment?

14 MR. BEHN: Yes. My name is Richard  
15 Behn, and I'm presently living in Bragg Creek, Alberta, and  
16 I'm employed by Nortran as a Counsellor.

17 Q What is your educational  
18 background?

19 A I attended grammer school at  
20 Lower Post and Fort Nelson, went through high school up to  
21 grade ten in Whitehorse, and spent two years in Victoria  
22 going to Camosun College where I obtained part of grade twelve  
23 and my grade eleven education.

24 Q Please outline your work  
25 history?

26



1 A In '65, from June, July,  
2 one month, I worked for the Department of Public Works in  
3 Fort Nelson as a labourer. In '65, July and August I was  
4 employed by <sup>B.C.</sup> Forest Service as a fire-fighter. In '66 for  
5 July and August, I was again employed by B.C. Forest Service  
6 as fire-fighter, pump operator and time-keeper. In July and  
7 August of '67, I was with the Department of Public Works on  
8 a bridge crew as a labourer working on the Alaska Highway  
9 from 392 to 456. And in '68, I was with Westcoast Transmission  
10 as a casual labourer in the Fort Nelson gas plant. In '69  
11 I spent six weeks with Westcoast Transmission and with the  
12 B.C. Forest Service.

13 In '70, I worked with the B.C.  
14 Forest Service as a fire-fighter, and from September to  
15 November, I was an oiler on a shovel, a mill trainee, and  
16 re-agents operator at Tungsten in the Northwest Territory.  
17 On January the first 1971, I started with the training program  
18 as a trainee with Alberta Gas Trunk Line, in August of the  
19 same year, I was promoted to a compressor station operator  
20 and stayed in that position until May 2nd, 73, when I moved  
21 into Art Giroux's position of Northern Trainee Supervisor  
22 which is now called the Counsellor, and I stayed in that  
23 position since then.

24 Q Mr. Behn, what do you see  
25 as the most important part of the Nortran Program?

26 A In essence, there's only



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1 one objective which provides for a viable and meaningful  
2 program, and as I see it, that objective would be to orient,  
3 not convert a northerner to a southern life-style and wage  
4 economy in such a manner that he or she is capable -- is a  
5 capable and productive member of that system.

6 The duties of the Counsellor are  
7 varied and difficult to list as pertaining to the above-  
8 mentioned objectives; the reason being that with each  
9 individual, similar problems have to be dealt with in diffe-  
10 rent ways.

11 Attached is a list which defines  
12 a more routine and logistical kinds of duties we have to  
13 perform. The manner in which the difficulties are dealt  
14 with, to me, determines the degree of success relative to the  
15 stated objectives of Nortran. I believe Nortran's policy  
16 of counsellors being from the North, has contributed to the  
17 success of the training program.

18 I have concerns about the effects  
19 of a pipeline, if approved, would have on the Native people.  
20 I suspect that development of one kind or another is going to  
21 continue in the North for some time to come. Such development  
22 will entail influxes of other people and other ways of life.

23 It used to be that southerners who  
24 came North shifted more towards a Native way of life, but  
25 Native people are now having to change very rapidly toward  
26 a life-style of the southerner.



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1 I see this program as a start to  
2 northerners being able to compete in the skilled labour force  
3 and still maintain his or her identity as a northerner.

4 Q There is attached as page  
5 24 of the outline of the responsibilities of the Nortran  
6 counsellor . Is that correct?

7 A Yes.

8 O -- As referred to in your  
9 earlier evidence.

10 A Yes sir.

11 Q And I note also, toward the  
12 end, to me in any event, you changed the word "not" to "now"  
13 and that is a proper change. Is that correct?

14 A Yes. That was a typo-  
15 graphical error in it.

16 Q Thank you. Mr. Chairman,  
17 members of the Panel are now available for cross examination.

18  
19 MR. CHAIRMAN: Thank you Mr. Hudson.  
20 Mr. Goudge?

21 MR. GOUDGE: Yes sir, I think we  
22 proceed in our usual order and that would mean beginning with  
23 Mr. Joe for the Council for Yukon Indians.

24 CROSS-EXAMINATION BY MR. JOE:

25 MR. JOE: Thank you Mr. Chairman.  
26 Throughout the presentation the term "northerner" is used.



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1 Could any member of the Board or Panel expand on that defi-  
2 nition?

3 MR. VIRTUE: Our definition of  
4 "northerner" at this time is someone who has had four year  
5 residency in the Northwest Territory or the Yukon. We have  
6 made some exceptions in that regard by accepting people from  
7 Northern Alberta and Northeastern B.C.

8 Q I take that there had been  
9 a number of northerners in the Yukon who have worked in the  
10 Nortran - who have trained in the Nortran Program. Is that  
11 correct?

12 A Yes, there have.

13 Q Do you keep any statistics  
14 of the number of northerners from the Yukon who have worked  
15 on the program?

16 MR. GIROUX: I just happen to have  
17 them with me. Currently, we have seven trainees on the  
18 program, five from the Yukon and two from Northern B.C.,  
19 from Fort Nelson, as a matter of fact. In addition, trainees  
20 that have terminated from the program, we have got 14 from the  
21 Yukon. That is people who have come to the program and left,  
22 for a total of 21 people from the Yukon and Northern B. C .  
23 who have participated in the program.

24 Q Of those 7 people that  
25 you presently have now, what are their places of -- where  
26 did they originate from in the Yukon?



1                                   A           Primarily Old Crow,  
2 Whitehorse - Old Crow and Whitehorse present trainees, and  
3 one from Teslin.

4                                   Q           Now, with the emphasis on  
5 the possible Alcan route in the Yukon Territory, is there  
6 plans by Nortran to increase the Nortran Program to make it  
7 more accessible for Yukoners?

8                                   MR. VIRTUE: Yes there is, Mr. Joe.  
9 As I said in my testimony, the result of the Alcan filing has  
10 resulted in a renewed interest from people in the Yukon in  
11 the petroleum industry and the pipeline activity.

12                                   There is a    number of new appli-  
13 cations that have come to our attention. We have spent last  
14 week here interviewing some people. There are some people that  
15 Mr. Behn will be interviewing tomorrow, here, and it's our  
16 intention to provide to the extent we can, the opportunities  
17 for these people to participate in the program.

18  
19  
20  
21  
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23  
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26



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1 Q As I understand it, your  
2 present attempts at opening up the program to Northern  
3 Yukoners are beginning right off the bat, is that right?

4 A Right now, yes.

5 Q Even if in fact, there is  
6 a definite policy moved to increase the number of  
7 northerners from the Yukon to get training positions, would  
8 that reflect on direct employment opportunities in the  
9 O & M phase for Northern Yukoners?

10 A I didn't understand the  
11 question.

12 Q Is there going to be, in  
13 your own estimation, a direct correlation between the  
14 opportunities that open up to Northern Yukoners and with  
15 subsequent hiring on the O & M Phase of the pipeline?

16 A I would think so, yes,  
17 that the plans that Foothills have filed, I think have 188  
18 or 189 people in the O & M phase and the number of people  
19 that will be trained in the Nortran Program will be reflected  
20 in that 188 total.

21 Q For the academic qualifi-  
22 cations, what type of academic qualifications would you  
23 consider before one is considered to be a potential trainee  
24 for your program?

25 A For positions in the trades  
26 and technicians in the Operations and Maintenance phase,



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1 we like to have people with a minimum of grade 10. We have  
2 gone below that minimum at various times but it becomes  
3 very difficult for them to proceed or progress through the  
4 apprenticeship programs and the various technical programs  
5 with education levels below 10.

6 When that happens from time to  
7 time, we do have the opportunity to enroll them in academic  
8 upgrading programs to provide them this background but this  
9 is what we're looking for, about grade 10.

10 Q In your evidence, I  
11 believe it was stated that you presently have six hundred  
12 applications. Is that correct?

13 MR. GIROUX: Approximately six hundred,  
14 that is correct.

15 Q Of that six hundred, what  
16 percentage would meet with the requisite educational  
17 qualifications that you require?

18 A It seems to me I remember  
19 this question once before. I would say that probably --  
20 now, I'd like to start out by saying -- that these six  
21 hundred applications are applications that have been received,  
22 accumulated since the start of the program in 1971. I think  
23 that must be understood, therefore, there are a lot of the  
24 applicants that probably are no longer interested, have  
25 found other work, perhaps aren't even alive now, but none-  
26 theless, that was to indicate the interest.



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1 I think that probably out of that  
2 six hundred, I would say over half would meet the educational  
3 requirements. Probably close to four hundred would have  
4 over a grade 9 or 10 education. That doesn't necessarily  
5 mean to say that they would be part of an eligibily list  
6 for the program. That depends to some degree on attitudes  
7 and much other data.

8 Q You would agree with me  
9 would you not, that the majority of native people from the  
10 Yukon who would apply for such a position, would have to  
11 first of all, convince himself that he would have the  
12 educational qualifications to apply?

13 A Certainly, this is very  
14 important. I think there is -- it can be very depressing  
15 for an individual to come out in the program and not be  
16 able to compete with other trainees, let alone other co-  
17 workers that are better educated.

18 It was mentioned that much of our  
19 recruitment is done in conjunction with Government agencies  
20 and we found that by operating in this manner, we are often  
21 able to steer applicants direct to training centres in the  
22 North that can provide educational upgrading and in a number  
23 of occasions, we've informed Northerners -- interested  
24 Northerners -- if they in fact, returned to school and got  
25 upgraded to grade 10 or 11, that we would consider them for  
26 the program and we've done so. They've gone direct from the



1 upgrading to our program.

2 Q I think the concern that  
3 the Indian people in the Yukon would have is probably best  
4 exemplified by the evidence that was given in the Panel by  
5 Carson Templeton in which -- I don't believe you were here  
6 when they gave that evidence -- but in Volume 4 of the  
7 transcripts at Page 649, Dr. Nelson was speaking at that  
8 time and he was commenting on some of the acculturation  
9 impacts on the native people in Alaska, due to the construc-  
10 tion of the Alyeska pipeline and on the second paragraph,  
11 he states that, "There are little data on the impact of the  
12 Alyeska project on Interior Alaska native communities.

13 "Impacts identified but not  
14 corroborated by data include: loss of community leadership,  
15 increased hardships for the elderly, impairment of essential  
16 community services and decline in availability of sub-  
17 sistent resources."

18 Now, would you agree with me that  
19 due to the type of educational requirements that are  
20 required to enter into the Nortran Program, that the Nortran  
21 Program would in fact, contribute to loss of community  
22 leadership which would result in increased hardships to the  
23 elderly, as well as impair the essential native community  
24 services?

25 A I'm not sure I'd agree  
26 with that Mr. Joe. I can't -- this is my own opinion -- I



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1 think individual people make individual choices and if some-  
2 one chooses to come to the Nortran Program and has the  
3 proper educational qualifications and the other qualifications,  
4 we'll certainly look at them and try to provide them with  
5 that opportunity.

6 I don't see that as detracting from  
7 leadership and other activities in the communities because  
8 that is not his only option. Nortran certainly isn't the  
9 only option. Governments, mines, other industries, businesses  
10 make the same offer to them.

11 Q Does that danger exist  
12 though?



1 A Well, the possibility cer-  
2 tainly exists, but people are willing to opt for the Nortran,  
3 the opportunities that Nortran provides, yes.

4 Q If I can dwell on it just a  
5 bit longer, in cross examination by myself of Dr. Nelson on  
6 this subject, I directed that question to him and at page 805  
7 of the transcripts, Volume 5 of these proceedings, the question  
8 was, "I see, so drawing from the Alaska experience in terms of  
9 acculturation, such things as the loss of leadership, the hard-  
10 ship of which the elders had to endure because of the loss of  
11 extended family life, were in fact some some problems which  
12 the Alaska native people had to endure, due to this process.  
13 Is that correct?"

14 Answer by Dr. Nelson, "In a sense.  
15 What we are really trying to get at in using the word accultur-  
16 ation, is that there is some set of elements of which language  
17 is one and we have used that as an example that really defined  
18 the native lifestyle and the native culture, and separated from  
19 those with which it interacts, so that if you've been in the  
20 process of constructing the pipeline, remove from a rural  
21 village an individual who served the particular leadership  
22 role in that village and had helped to keep the traditional  
23 leadership system, or if you removed some young people who were  
24 performing some certain task in that village that were neces-  
25 sary to its continuance, then you might make it difficult for  
26 that group of people or that village to return to the condition



1 | they were in before the pipeline. In that case, they would  
2 | be desegregated and it wouldn't be likely that they would be  
3 | able to sustain themselves in the old way." Would you agree  
4 | with the comments made by Dr. Nelson ?

5 | MR. GIRDOX: I just was going to say,  
6 | well, I certainly wouldn't, but I don't have a PhD., but I  
7 | find that when I go into the settlements, a lot of the settle-  
8 | ments where there is a lack of opportunity for northerns, I  
9 | find that there's a lot of people in the settlement that are  
10 | available for leadership, that may have leadership qualities,  
11 | but they're also, their plates are empty as well, and it's  
12 | sort of rather a sad situation, so, I guess maybe you have to,  
13 | when you start weighing this type of thing, it's rather dif-  
14 | ficult to make a judgement, I would think.

15 | MR. VIRTUE: May I just comment,  
16 | too, Mr. Joe, that I will disagree with Dr. Nelson's wording  
17 | of "remove". Nortran doesn't, our program doesn't remove any-  
18 | one, that's not the way we think of it in any case. We provide  
19 | opportunities and individuals make choices and if that indivi-  
20 | dual makes a choice this way or to stay in his village, that's  
21 | the way it is, but we don't consider it removing him from it.  
22 | He's removed himself.

23 | Q If I may get on to another  
24 | subject. Are there, is there a list of training opportunities  
25 | which are presently open, aside from the appendix which will be  
26 | open to Yukon residents at this point in time?



1 MR. GIROUX: We have a few vacancies.  
2 If you notice in Appendices, I believe it would be  
3 Number 1, which is a list of trainees, dated May 2, 1977. Now  
4 if you will notice, if you go to the first page of Appendix 1,  
5 you'll see the Alberta Gas Trunk Line Company, and at the bot-  
6 tom of that sheet, you see the positions that are vacant, Mr.  
7 Joe. Have you got that?

8 Q Yes.

9 A Well, this of course is  
10 continually changing and this has been dated May 2. There are  
11 one or more to this since that time, but this would indicate,  
12 for example, that right now we are presently looking for four  
13 people for Alberta Gas Trunk Line and we are, in fact, making  
14 an effort to fill those positions with Yukoners, if we can  
15 find suitable Yukoners that are interested?

16 Q Now, as I understand it,  
17 this Nortran program is primarily geared at providing job  
18 opportunities and training for the O and M phase of any gas  
19 pipeline, is that correct?

20 MR. VIRTUE: That's gas correct, gas  
21 pipelines and gas plants, too.

22 Q What are the number of years  
23 that are required for one to train on such a project before he  
24 is qualified to actually go out to work?

25 A We use a rough figure for a  
26 first class operator or a technician level as four or five



1 years. Many of the young people will go through the normal  
2 apprenticeship programs and if your familiar with those, those  
3 often are four years long. For a gas line operator, four or  
4 five years is the usual amount of time to get from Operator  
5 IV to Operator I level.

6 Q So, in fact, given the  
7 construction table of Foothills, in which I believe they're  
8 going to complete construction in 1983, if in fact, a native  
9 people or Yukon residents were interested in taking job train-  
10 ing now, at the end of this period they would, in fact, have  
11 jobs on the O and M phase? Is that correct?

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1 A That is correct.

2 Q There was expressed a danger  
3 in the evidence, which was given that the trainees on  
4 occasion, have taken higher paying jobs in neighbouring  
5 construction sites. Is that correct.

6 A This was something I was  
7 pointing out, that, again, individuals will make individual  
8 choices. If the Alcan Pipeline goes ahead, there will be  
9 many high paying jobs available for semi-skilled and unskilled  
10 persons during this construction phase.

11 During that time there will be people  
12 who Alcan will want to continue training on the O & M phase,  
13 there will be that attraction there to move into these  
14 unskilled jobs that are very high paying.

15 We have had discussions with the  
16 pipeline companies and they are quite confident that they  
17 can make these high paying jobs available through their  
18 inspection crews to those northerners on the O & M areas  
19 who desire to work in the construction project. We think  
20 we can get around that problem that way.

21 But, again, individual people will  
22 make individual choices about that.

23 Q So your analogy of the  
24 individual making the choice would also apply to subsequent  
25 development which would, in all likelihood, follow the  
26 construction of the gas pipeline, in that the subsequent



1 development, such as an oil pipeline, such as hydro  
2 development, in fact your training of four to five years on  
3 one individual may in fact go down the drain because he  
4 decides to move to another development?

5 A Well, Mr. Joe, we wouldn't see  
6 it going down the drain, because we emphasize training for  
7 the individual. We're trying to provide him with the skills  
8 and, as I said in the testimony, that provide him maximum  
9 job mobility in the labour market.

10 So, if he trains as an electrician  
11 with Alberta Gas Trunk Line and is transferred up here with  
12 Foothills (Yukon) and then chooses to go and start up his  
13 own electrical business, we think he is a success.

14 Q Now, I know there was some  
15 comment made of this in the Berger Report, in which you  
16 stated that if one were to accept employment on the pipeline,  
17 then one would have to be expected to follow pipeline  
18 construction. Would this also apply to a person who takes  
19 training on the O & M phases of the pipeline construction?

20 A No, I don't believe so, Mr.  
21 Joe. If you are training in the technical trades, where  
22 there is a mechanical technician, electrical controls,  
23 welding, these are transferrable kinds of skills where you  
24 can work in other industries and other businesses outside  
25 the pipeline industry.

26 Q There have been a number of



1 policy concerns expressed before this Inquiry, and  
2 particularly by Chairman, Daniel Johnson, concerning the  
3 opportunities which are conveyed either by employment or  
4 by training. If I can refer to a couple of quotes of  
5 Mr. Johnson when he made a statement before this Inquiry  
6 and get you to respond in the context of the previous  
7 questions that I have asked you.

8 First of all, in relation to employment  
9 Mr. Johnson at page 562 of the transcript states that, the  
10 first paragraph:

11 "A pipeline now would minimize our chances to  
12 participate in development of potential benefit  
13 to our people. Only after Land Claims implemen-  
14 tation will we have the necessary lands, capital,  
15 and skill to participate in a larger development.  
16 It will take time to gain these and to ensure that  
17 we are not once again left behind and without the  
18 benefit which other groups receive. Some, including  
19 a few of our own people will say the pipeline  
20 will provide jobs for Indians. There are very  
21 few it would. They would not realize that such  
22 jobs are short term and unskilled and would result  
23 in their return to the welfare rolls later.  
24 Their absence would remove the chance for community  
25 development. For the vast majority of Indians,  
26 however, they would be out of luck, the skills,



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1 well-paid jobs would go to southerners, probably  
2 Americans. A few might get hired as token  
3 Indians, but the rest would spend much time in  
4 the bars. When the pipeline was completed,  
5 most Indians would be without a pay cheque,  
6 unless welfare paid them to take up alcohol  
7 rehabilitation."

8 On the training aspect, at page  
9 566, in relation to training, he states in the first  
10 paragraph:

11 "It would not work to give us lots of money to  
12 create instant native social services. We cannot  
13 train our people in time and the sheer magnitude  
14 of the pipeline impact on the cultural and  
15 social life of our communities would overwhelm  
16 both Native clients and Native social service  
17 workers. We don't want handouts to mop up  
18 increased social problems.."

19 Now, Mr. Johnson is saying that he  
20 does not have the time in the Yukon to train his people.  
21 Is that a fair comment in relation to the provisions of  
22 the Nortran Training Program as it is now set up today?

23 A Well, I can't comment, Mr.  
24 Joe on Daniel training his people. I would refer  
25 back to the original statement you made. Mr. Johnson  
26 was talking there about the construction period, and of course



1 Nortran's objective is to train people for the operation  
2 and maintenance period. That is not short term, or that  
3 you will be laid off on welfare again, it's a career, in  
4 the petroleum industry, if the people choose to do that.

5 Q Has Nortran considered  
6 expanding to provide short term construction training?

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5 We are presently in discussion with  
6 Alberta Gas Trunkline right now about a pipeline project  
7 coming up in Alberta and if we are successful there, some  
8 Yukoners will be offered the opportunity to gain work  
9 experience but I don't glorify that by calling it training.  
0 It is a work experience.

19 We don't want everybody to be hands,  
20 we'd like some of them to be leadhands and certainly, if  
21 training doesn't start soon, I think we sort of recognize  
22 that probably development is inevitable, it is a matter of  
23 when -- if training doesn't start, perhaps you might miss.  
24 It might be too late and you may have Americans down here  
25 running your compressor stations.

26 Q. If I may just put -- I --



1 one question to you -- throughout the text of Mr. Johnson's  
2 presentation, he emphasized a native way of life. Now, is  
3 there any compatability in your mind with the training  
4 requirements and the training objectives of Nortran in  
5 relation to a northern native way of life?

6 A My question would  
7 be -- to you I suppose, would be, can you not have both?  
8 Could you not be employed at a compressor station in Teslin  
9 and still not take advantage of the traditional ways of  
10 life whatever they may be?

11 I see trainees presently on the  
12 program that are able to do both. We have people that  
13 take their holidays in the Spring and go out rat hunting  
14 and come back with three or four thousand dollars and more  
15 than they make in six months on the program, training. It  
16 seems to me that it can be compatible and on the other hand,  
17 I sometimes wonder about the traditional ways of life because  
18 I don't believe that most of the people that come onto our  
19 program are interested or even capable of -- for want of a  
20 better word -- living off the land.

21 Q So then, given that type  
22 of compatitibility, you're assuming of course, that the  
23 project, if it goes through, will not destroy the traditional  
24 part of their way of life?

25 A I would have to say that  
26 I wouldn't think -- I don't see that it should, no.



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1 Q Fine. So, if in fact,  
2 the pipeline is constructed through Old Crow Flats, which  
3 destroys their ratting areas as well as destroys the path  
4 of migration of the Caribou, then in fact, they have very  
5 little left in terms of traditional life, is that correct?

6 A Well, I would suggest  
7 that if in fact that happened, that the Caribou and every-  
8 thing was destroyed by a pipeline, then I would agree that  
9 you're right, but I don't believe that that is true. I  
10 just, you know -- I live in a province that is now -- that  
11 is completely covered by pipelines.

12 I can fly over the Northwest  
13 Territories today and I can see seismic lines all over the  
14 country that are no different from a pipeline and I see no  
15 evidence of any problems in that regard, but I do agree with  
16 you, yes, if it decimated the Caribou herds and the  
17 trapping areas and destroyed all <sup>the</sup> muskrats, I agree with  
18 you, yes.

19 Q But in fact, those  
20 provinces in which you saw seismic lines et cetera which  
21 I did not present any type of detrimental effect to the  
22 native type of economy in fact, were constructed subsequent  
23 to the settling of treaties or land claims in those areas,  
24 is that correct?

25 A I'm not sure I understand  
26 your question.



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1 Q The question is, in the  
2 Yukon, the native people have an opportunity to settle and  
3 maintain their existing way of life, to preclude development  
4 through their own lands. In Alberta, the native people  
5 had treaties and they also had provincial status in which  
6 the provinces owned all of the resources and the difference  
7 in that context is that the native people in the Yukon have  
8 a different opportunity that was afforded the native treaty  
9 people in the Provinces of Saskatchewan and Alberta.

10 MR. HUDSON: I wonder, Mr.  
11 Chairman, if this is getting quite a distance away from  
12 the evidence in Chief and the reason for the presence of  
13 these people. It hasn't anything as I see it, to do with  
14 the training formulas and functions, whether it is indeed  
15 a fair question.

16 MR. CHAIRMAN: I'll allow Mr.  
17 Joe if he wishes to continue with his question, but I might  
18 use the opportunity to remind him and others of your  
19 observation at the beginning of this Panel, Mr. Hudson,  
20 these gentlemen do hope to catch the airplane this afternoon  
21 so that I hope everyone will try and keep their cross-  
22 examination as brief as reasonably possible. Mr. Joe?

23 MR. JOE: I'll just -- in that case,  
24 Mr. Chairman, I'll just forego that question.

25 MR. CHAIRMAN: Thank you.

26 MR. JOE: There was one observation



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1 which was made, however, by Justice Berger in commenting on  
2 the Nortran Program and his comment there was basically,

3 "Is it going to be feasible to train Northerners  
4 for steel work and pipeline construction? The  
5 Unions say it is not. They say quite apart  
6 from their contention that their own members  
7 must come first, that such training should  
8 take place on the job, however, the last major  
9 pipeline built in Canada was the Sarnia  
10 Montreal Oil Pipeline and no pipeline is at  
11 present under construction.

12 "It is therefore, not possible at present  
13 to train any large number of northerners any-  
14 where in Canada for the skilled work that the  
15 pipeline construction will require."  
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1 Now do you agree with that  
2 statement by Justice Berger?

3 A Yes.

4 Q Or do you agree with it only  
5 in the context that training cannot be provided for the con-  
6 struction?

7 A Yes.

8 Q It has no applicability to  
9 the Nortran?

10 A None whatsoever.

11 Q That concludes my question-  
12 ing, Mr. Chairman.

13 MR. CHAIRMAN: Thank you.

14 MR. GOUDGE: Next, sir, Mr. Bayly,  
15 Yukon Conservation Society.

16 CROSS EXAMINATION BY MR. BAYLY:

17 MR. BAYLY: Mr. Chairman, I'll try  
18 and keep the questions <sup>short</sup> but I can't guarantee the length of the  
19 answers, but if they don't catch the plane they'll have to  
20 blame it at least partially on themselves.

21 Mr. Virtue, am I correct in under-  
22 standing that Nortran has a basic responsibility to the sponsor  
23 companies, which is to provide a reservoir of trained northern  
24 people, primarily for the Operation and Maintenance functions  
25 of a northern gas pipeline.

26 MR. VIRTUE: And gas plants, that's  
correct.



1 Q And, the program that has  
2 been designed to carry out this function is to encourage and  
3 recruit people into the program, at least partly by promising  
4 them employment, when and if they complete the program and  
5 actually during the training?

6 A That's correct.

7 Q And that the promise is of  
8 a job with one of the sponsors?

9 A Yes, sir.

10 Q Either in the south or, in  
11 the eventuality of a northern pipeline being constructed, in  
12 the north?

13 A That's correct.

14 Q And that the promised func-  
15 tions not only as a way of inducing people or encouraging peo-  
16 ple <sup>to enter</sup> into the program, but also serves to limit the number of  
17 people that can be taken in through the number of openings that there  
18 are at any one time?

19 A That's right.

20 Q So that the fact, if you have  
21 600 people who have expressed an interest in 1974, is not to  
22 say that you could at this time in any event, take 600 people  
23 on the program?

24 A We could not, Mr. Bayly.

25 Q And, in fact, if the Foot-  
26 hills Yukon pipeline were constructed the maximum number that you



1 could take on, presuming the skills were there, would be an  
2 additional 189 to the number that are presently in the southern  
3 part of the program?

4 A Just a slight disagreement,  
5 there'd be a difference, probably, between the ones who are  
6 currently in the training program who opted to come up here  
7 and that 189 figure.

8 Q I understand, so it would be  
9 less than 189 based on people already in the program exercising  
10 the option to take those positions?

11 A Right, that's what I meant.

12 Q And, although of the 600  
13 people who have expressed an interest, there are probably not  
14 600 people alive, or in any event, in a position to take those  
15 jobs because they may have taken up other things, there are  
16 still a considerable number of people who might take the oppor-  
17 tunities and they form what we could call the waiting list?

18 A Yes, that's right, Mr. Bayly.

19 Q And, you have given us the  
20 number 600, can you give us the number of people that are -  
21 I hesitate to say "actively waiting". Maybe, is that me?  
22 Can you tell me the number of people that are on the edge of  
23 their chairs waiting for your phone call? I think I can put  
24 it that way.

25 MR. GIROUX: No. Do you want me to in-  
26 clude an explanation or is that satisfactory?



1 Q Please. Could you tell me  
2 firstly --

3 MR. GOUDGE: Think about that plane,  
4 Mr. Giroux.

5 MR. BAYLY: No! I'm sorry we can't.

6 Q Do you have an educated guess  
7 on the proportion of the 600 that might be --

8 A I'd say probably about 150,  
9 100 to 150 would be readily, I think, probably available if  
10 they were suitable. We're in the process now of sending out  
11 inquiries to all the applicants that have the qualifications to  
12 determine whether or not they are still interested in the  
13 program.

14 Q Now, of the people who might  
15 form this approximately 150 members, how many are residents in  
16 the Northwest Territories and how many in the Yukon?

17 A I --

18 Q It is again a guess figure,  
19 but just give me your best estimate.

20 A Yes, we have had approximately  
21 70 applications from the Yukon of that number, or which prob-  
22 ably 20 of them are quite recent. So I would assume that those  
23 20 at least, and probably another 10 or so, so I would say  
24 probably 30 of the Yukon, the proportion to be hired in the  
25 Yukon because of the recent interest.



1 Q And because of the recent  
2 interest, they're further down the list presumeably, than those  
3 in the Northwest Territories.

4 A No, definitely not. We  
5 don't - if a position becomes available, it's filled by the  
6 best candidate available at that time.

7 Q So the list isn't in order  
8 of putting one's name on it?

9 A No.

10 Q You do a suitability selec-  
11 tion from the people on the list, even if they've signed up  
12 ten minutes ago?

13 A That's right.

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1 Q Now, in one sense would it be  
2 fair to say that with a few exceptions you act as an  
3 expediter, or an employment placing agency, and I'll review  
4 these differences.

5 One, that in certain instances you  
6 reduce the entry qualitifactions and précis the period  
7 of upgrading. Is that correct?

8 A That's correct.

9 Q Another would be that you  
10 provide an orientation program?

11 A That's correct.

12 Q A third would be that you  
13 provide a period, or an ongoing counselling service?

14 A Yes.

15 Q And another would be that  
16 you supply monetary housing and travel benefits that are  
17 not available to workers not in the program?

18 A That's correct.

19 Q Now, once you have carried out  
20 the function of the reducing of the entry qualifications  
21 and the précising the upgrading and the orientation, the  
22 people that are in the program are placed with an employer --  
23 in the employ of one of the sponsors?

24 A Yes.

25 Q And at that point in their  
26 careers with the Nortran Program, I take it in many ways



1 you turn over responsibility to the sponsor?

2 A We turn over responsibilities  
3 for the training, but we continue to monitor the training,  
4 and evaluate the trainee on a regular kind of basis in the  
5 event that he needs assistance, upgrading, technical programs  
6 and so on so he can continue his career development. So we  
7 turn over the training to them, but we monitor it.

8 Q But he must function within  
9 the Company, according to the Company's rules, procedures,  
10 et cetera.

11 A That's correct.

12 Q He must do the jobs that he's  
13 asked to do by that Company, because in one sense, although  
14 a trainee of yours, he is an employee of the Company.

15 A That's correct.

16 Q And if I understand Mr. Giroux's  
17 evidence correctly, some employers or their foremen, or  
18 supervisors are better than others at the training function  
19 which you have turned over to them.

20 A That's correct.

21 Q And you try and assist them in  
22 that training function by offering them seminars, guidance  
23 and providing them with a system of evaluating the employees  
24 that you have passed on to them?

25 A That's correct.

26 Q The numbers, I know, can some-



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1 times be misleading, and the numbers are not the entire  
2 yardstick of success of the program, because as you have  
3 pointed out, some people who leave the program may go on  
4 to something where they use the skills that they have  
5 acquired through the Nortran Program?

6 A That's right.

7 Q But, can you tell me, out of  
8 the people that have been in the Program, how many are left  
9 that started with the Rocky Mountain House experiment?

10 A Yes, we can tell you that. Mr.  
11 Giroux will just look up their names.

12 MR. GIROUX: I believe it's seven.

13 MR. VIRTUE: Six.

14 MR. GIROUX: Six out of sixteen.

15 Q Then those are people that  
16 started in January of '71.

17 MR. VIRTUE: That's correct.

18 Q And then, the Nortran Program  
19 began functioning approximately 1974, is that correct?

20 A The Fall of '73, we've got  
21 new people in there, September, October, and November of '73.

22 Q Now since that time, how many  
23 people that started at that time are still in the Program?

24 A We could tell you that, Mr. Bayly,  
25 if we went through and looked at names here, but we can't  
26 do it just like that.



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1 Q If I suggested the number  
2 would be approximately 14, would you be able to say that  
3 that's around the number?

4 A Yes, I would think that's  
5 in that range, yes.

6 Q Now, some of the jobs in  
7 operations and maintenance, I understand take a considerable  
8 period to train people for.

9 A Four to five years, to be  
10 exact.

11 Q And so those people who have  
12 been in the program for somewhere between six years and  
13 four years, number approximately twenty or twenty-one.

14 A I'm with you. I agree, yes.

15 Q All right. And we've seen  
16 approximately 109, plus 169 I believe, that have gone  
17 through the program.

18 A That's right.

19 Q Now, do you keep track of  
20 those who have left the Program to see what sorts of things  
21 they get into?

22 A We've done a couple of follow-  
23 up studies on that to see where the -- what the people were  
24 doing. Also to talk to them about the reasons they left  
25 the program, but the last one that we attempted was in  
26 1974, was a study by Dr. Hobart, that he did for us.



1 Q I'll be going into that a little  
2 bit later, but of the twenty-one or so people, who have been  
3 in since the beginning of either one program or the other.  
4 Are any of those people from the Yukon Territory?

5 MR. GIROUX: Yes, one, two, three, oh  
6 pardon me. Two are from Fort Nelson, one of them happens  
7 to be sitting at the table, Richard Behn, he's got a brother  
8 that's a Pressure 'B', High Pressure Welder, gone through  
9 the apprenticeship program. We have another fellow, Willy  
10 Thomas. Was he one of the originals?

11 MR. BEHN: No, he came down nine  
12 months ago.

13 MR. GIROUX: I see, well. --

14 So, we have Willy Thomas who is on  
15 his last -- entering his last year on a Millwright apprentice  
16 program, he'll be a journeyman Millwright. He is from  
17 Old Crow.'

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1 A That's it for the Yukon.

2 Q So there are three of that  
3 number from the Yukon or from the Northern part of British  
4 Columbia.

5 A Oh, pardon me, are you  
6 saying the original six -- or are you asking of the original  
7 16, or are you going back --

8 Q No I'm including the  
9 group that started in the '74 period.

10 A Oh, there's additional  
11 people to that. I would suggest, if you like, that we could  
12 get the information and get back to you, because it will be  
13 a little difficult and time-consuming.

14 Q Well, if you'd undertake  
15 to do that, I'll let you off the hook this afternoon. Now  
16 you provide in the training that is offered by the sponsor  
17 companies, what you call practical transferrable skills.

18 MR. VIRTUE: Yes we do.

19 Q But that doesn't provide  
20 accreditation in itself, in any of the trades that people  
21 may get training in, is that correct?

22 A No that's not correct.  
23 Whenever possible, we encourage the employing company to  
24 indenture the trainee into apprenticeship programs so that  
25 he does reach a journeyman status. All companies -- some  
26 companies are unable to do this because of particular situations



1 in plants or stations, but wherever possible we do it.

2 Q All right. Perhaps you  
3 could supply me, at a later stage, through a letter, and the  
4 Inquiry as well, with a number of people who have achieved  
5 some accreditation while on the job, and in what field.

6 A Yes we can do that Mr.  
7 Bayly.

8 Q Can you tell me, you've  
9 said at page 4 of your evidence that flexibility had been  
10 maintained in the program - that it's been maintained to a  
11 significant degree, and new or different approaches have been  
12 attempted, as changing circumstances and situations warrant.

13 What indicators did you have that  
14 the situation warranted changes, who made this evaluation, and  
15 what were the problems to be remedied? I know that's three  
16 questions, but you probably can cover them in one answer.

17 A Well, if I can give you  
18 an example, for instance, the trainee orientation at adult  
19 vocational training center at Fort Smith. We structured  
20 it initially the way we thought it would work best, and as  
21 I recall, it was three weeks long. We had certain components  
22 and content in that program.

23 We discovered afterward, by talking  
24 with the trainees and talking with the people who were involved  
25 in the instructional process that their interest lagged very  
26 considerably during the last week, and certain problems



1 became apparent. we went back then, after we talked with  
2 the trainees and talked to the instructors, we went back  
3 and restructured the program and made it a two-week program.

4 After every program we evaluate  
5 how we're doing and how well it's being received by the  
6 trainees, what problems the instructors see in it, and so on.

7 Q So, it's a process that  
8 involves not only the instructors, but the trainees as well?

9 A Yes. In the trainee  
10 meetings that we have, we talk about the whole program; we  
11 talk about all the components in it, and how the trainees  
12 perceive them, and what criticism they might have of them,  
13 what problems they cause to the trainees, then we try to  
14 evaluate if there is anything we can do to resolve these  
15 problems.

16 Q Can you tell me in what  
17 way you have become aware of an increased interest in training  
18 in the Yukon?

19 A Yes. Because the Canada  
20 Manpower and the representatives of the Yukon Territorial  
21 Government call Mr. Giroux or Mr. Behn and say, we have  
22 a number of applications here, can you have someone come up  
23 here and interview them?

24 Q Do you know whether they  
25 are advertising your program more actively since the Foothills  
26 application?



1 MR. GIROUX: I would think not.  
2 I would think it's just that word is getting around, there's  
3 lots of news on the radio.

4 MR. VIRTUE: This Inquiry probably  
5 does a good deal to advertise it, Mr. Bayly.

6 Q May be the Chairman will  
7 send you a bill. You mention in Item 4, that you have seminars  
8 for industry supervisors. Now, I gather "supervisor" can  
9 cover a multitude of positions. Are those the people that  
10 are directly in contact with the employee as their floor  
11 supervisor, if you can call it that, or are they higher level?

12 A We started out -- we started  
13 at the rather higher level in the initial seminars we had  
14 back in 1973, and gradually we worked down through the  
15 hierarchy, if you like. Most of the supervisors who come  
16 now have direct contact with the trainees, and occasionally  
17 they're right down to a lead hand position. So ther're very  
18 close to the trainees.

19 Q So, you're giving seminars  
20 really to the co-workers, as well if you can call a lead  
21 hand that, although he may be of a slightly elevated staff.

22 A Yes, just a little bit  
23 more senior person to the worker.

24 Q Now, with regard to the  
25 DACUM with developing the curriculum, I understand that  
26 that process involves several steps, one of those is the



1 identification of skills required for positions.

2 A That's correct.

3 Q And that one, I take it  
4 has been completed for many of the trades.

5 A For many of the trades.  
6 Every once in a while we run into a new position and a new  
7 DACUM is then constructed in order to monitor and evaluate  
8 the people in that position.

9 Q What about the learning  
10 activity batteries for these various trades, have they been  
11 completed for any of the trades or skills?

12 A No, because the way we  
13 use the DACUM process, <sup>the</sup> learning activity batteries are  
14 not necessary. We use the DACUM as a monitoring and evaluation  
15 device, not as a training device. The companies are res-  
16 ponsible for the trainee; we're responsible for monitoring.

17 Q Was it originally designed  
18 that there would be this second step involving the learning  
19 activity batteries?

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1 A Well, Nova Scotia new  
2 start when they -- back in 1970 or something -- when they  
3 originated this DACUM concept. They -- their concept had  
4 learning activity batteries and in most of the formal, post-  
5 secondary institutions, you'll find that use DACUM process,  
6 they have learning activity batteries.

7 Q What is the frequency of  
8 the trainee meetings referred to in Item 8?

9 A They're irregular, Mr.  
10 Bayly. We've had two in the South and we are planning two  
11 more this -- in June.

12 Mr. Bayly, regarding your questions  
13 about apprenticeship. If you could turn to Appendix Number  
14 3 of the filed testimony, this gives the number of people  
15 and the areas in which they're apprenticed.

16 Q I understand that but  
17 the thing that it didn't give me that I was interested in,  
18 was how many had achieved their journeyman ticket or what-  
19 ever we may call it.

20 A Right from day one you  
21 mean? This does tell you that of the people who are  
22 presently in the program, that 109 current trainees. Two  
23 are journeyman electricians, one journeyman millwright, one  
24 journeyman welder and so on.

25 Q I understand that but I  
26 gather that there are people who have left the program who



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1 may have achieved journeyman status and they would be the  
2 ones who could go to their communities and become tradesmen  
3 in them.

4 That may not be complete possible  
5 but if you can supply that, I'd be interested.

6 A Okay, we'll try to do  
7 that.

8 Q Now, I gather that in-  
9 dustry provides some of the funds for your program but that  
10 a portion of the funding comes from the Canada Manpower,  
11 is that correct?

12 A That is correct.

13 Q And the last time we  
14 talked about this, a sum of \$158,000.00 I believe, had been  
15 transferred by Manpower in support of the program?

16 A Yes.

17 Q Can you update that  
18 figure?

19 A Yes, you can add  
20 \$114,000.00 to that figure.

21 Q All right.

22 A In 1976, Canada Manpower  
23 contributed \$114,000.00.

24 Q And what proportion of  
25 the cost of the program does that represent?

26 A Something less than 10 per



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1 the -- at this point in time, of the Government operating  
2 this program.

3 Q You're still using their  
4 facilities I understand at Fort Smith and perhaps in other  
5 places, that you provide the upgrading that is required to  
6 enter some of the positions.

7 A Right. Close co-ordination  
8 and co-operation but not to turn it over to them as that  
9 suggests.

10 Q Are you using or do you  
11 intend to use any educational facilities of the Government  
12 of Yukon?

13 A In the event that a pipe-  
14 line was approved in the Yukon, I'm sure that the facilities  
15 of the Yukon Vocational Training Centre would be utilized.

16 Q All right. You haven't  
17 done any studies I take it, to determine whether that would  
18 involve adding staff to that facility or adding staff with  
19 certain expertise that are not presently on staff?

20 A No, we haven't, Mr. Bayly.

21 Q You stated in answer to  
22 Mr. Joe's question that you're not training people in the  
23 construction phase to any degree. I understand from you,  
24 that last year you had intended to place a number of people  
25 on pipeline construction in the Sarnia area and perhaps  
26 elsewhere, not so much to train them for operations and



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1 maintenance, but as an experiment. Can you tell me whether  
2 you did that and whether it worked?

3 A Yes, we did do that in  
4 1975, '76 and '77 and we don't call it training, we call it  
5 work experience and it simply provides the opportunities  
6 for northerners to work in pipeline construction or civil  
7 construction so they had an idea of the kinds of jobs that  
8 are carried out, the kind of skills that are required and  
9 an opportunity to build those skills and themselves.

10 We did it in '75, '76 and '77 and  
11 I mentioned to Mr. Joe I believe, that we are currently in  
12 discussions with Alberta Gas Trunkline about some more pipe-  
13 line construction jobs this summer.

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1 Q And I understand that the  
2 numbers were approximately six on one project, and can you tell  
3 me if there were others involved?

4 MR. GIROUX: Well, the first year we  
5 had two projects. They were referred to this morning, the  
6 projects where two contractors worked next to each other, that  
7 was Henuset and Bannister. We had six in each of those and  
8 we've been somewhat in that area anywhere from six to twelve ever  
9 since then. In addition to that we've had, we had six on this  
10 past winter on some winter construction. We anticipate probab-  
11 ly six in pipeline construction this summer, in addition to  
12 anywhere from three to six on some plant construction for  
13 Shell Oil, a gas plant in southern Alberta, and in addition,  
14 some northern work is going to take place.

15 Q Now you have said that this  
16 isn't really training but work experience. I take it from the  
17 perspective of the person who's on that job, he may think of  
18 it as training, but that you are not in the support position on  
19 those jobs that you are in the Operations and Maintenance jobs.

20 MR. VIRTUE: That's correct.

21 Q And that the foremen don't  
22 have to fill out all those forms and talk to you.

23 A No, they don't have to fill  
24 out any forms for us, but they do talk to us and we do make  
25 visits to the training sites and try to assist in whatever way  
26 possible, the young fellows to keep them on the job there as



1 long as they wish to. We make all the arrangements with the  
2 unions and for travel and help them with their accommodations  
3 initially.

4 Q You'd agree with me that in  
5 many ways from that perspective, it may be training, that they  
6 are gaining experience and therefore learning about pipeline  
7 operations?

8 A I'm sure they see it as that  
9 training on the job, yes.

10 Q One of the areas in questioning  
11 that I'm concerned with is when you recruit somebody, can you  
12 tell me what process you go through with him to determine what  
13 part of the Operations and Maintenance of pipelines, compressor  
14 stations, gas plants, he is most likely to fit into, because I  
15 gather he hasn't seen one before you show him your slide pre-  
16 sentation or talk to him?

17 MR. GIROUX: That's right, that's  
18 probably the most difficult<sup>part</sup> of the program, is getting proper  
19 job information to the applicant and when you're not actually  
20 able to see the plant itself, but, again, flexibility, we're  
21 flexibly enough that in the event that somebody goes into the  
22 wrong trade, on a number of occasions we have transferred them  
23 to different trades, which sometimes resulted going into another company.  
24 But, by and large, we have a booklet that describes the jobs  
25 in some detail, we do have a slide presentation, a cassette  
26 presentation, our counsellors are very familiar, all the Nortran



1 staff are very familiar with most aspects of the different  
2 type of occupations and we just simply do our best to assist  
3 them with their choice.

4 I think the one thing that's impor-  
5 tant that is if there aren't that many a variety of jobs so  
6 that you could sort of zero in is he mechanically inclined or  
7 does he desire mechanical type work or does he prefer electri-  
8 cal and working with large cable, wiring a house, or small  
9 wiring jobs behind a panel, this sort of thing, so you can  
10 usually determine that. I think that generally speaking,  
11 Northerners are becoming more familiar with the industry through  
12 the program and they have a better - a fairly good idea of what  
13 they want.

14 Q Is it still the case that  
15 some will really want to go where there is somebody that they  
16 know or somebody who may be related to them?

17 A Yes, certainly this happens  
18 and we try and accommodate this as much as we can, too, it  
19 makes for easier existence.

20 MR. BEHN: Okay, in addition to the  
21 kind of aptitude that we look at or the evaluation we put on  
22 what a guy is interested in or what says he's interested in,  
23 the people that apply from the Delta, we usually try to steer  
24 towards the gas plant facilities as that's where the gas plants  
25 will be, and the people from the Southern Mackenzie and the  
26 Yukon, usually we try and steer them in the direction of gas



1 transmission. As you know, if there's any development, the  
2 gas transmission jobs would be in the lower Mackenzie, along  
3 the Mackenzie, and the Yukon in the gas plant facilities in  
4 the Delta.

5 Q So you're indicating that  
6 you try to steer people into the kind of work that they might  
7 be able to do at their own, in their own area?

8 A Right.

9 Q Now you've given, I guess  
10 we're being moved out. You've given us an example of one  
11 ennuich who functioned at a Grade 6 level and is now an appren-  
12 tice. Can you tell me if that is a fairly common situation  
13 that you're able to upgrade someone sufficiently for that, or  
14 is that uncommon?

15 MR. GIROUX: No, that's uncommon, it's  
16 illustrative, but it's uncommon.

17 Q Usually you try to get people  
18 I take it, closer to the Grade 12 level, if you can.

19 A That's correct.

20 Q But you will take them at  
21 a lower level?

22 A That's correct.

23 Q Does that depend on apptitude  
24 or how do you determine that?

25 A In some degrees. We have  
26 different methods of determining that and one of the most



1 common one that we use, I guess, is called the "Tabé Test",  
2 which is a test of adult education and that can be administered  
3 in both the Yukon and the Northwest Territories by teachers  
4 and in colleges and this sort of thing, so, that's a tool we  
5 use quite often.

6 Q You also, as well as having  
7 that  
8 a grade level/you aim for, I understand, do concentrate your  
9 recruitment efforts on people in their early twenties, is that  
10 correct?

11 A Not necessarily, no, I don't  
12 think we concentrate on any age group, Mr. Bayly. We find that  
13 most of the qualified people are in that age group.

14 Q But, it may be coincidence,  
15 by, according to Dr. Hobart, apparently 18 per cent of your  
16 trainees were over the age of 28, the eldest being 43 years  
17 of age, that's on page 57 of his evaluation.

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1 A Yes.

2 Q So people who are attracted to  
3 it, whether you are recruiting them or not, are in there  
4 early to mid twenties.

5 A That's correct.

6 Q Can you file as an Exhibit  
7 with this Inquiry the information that is given to a prospective  
8 trainee? A copy of that? I saw you holding up a brochure  
9 there at one time, is that possible to leave that as an  
10 Exhibit?

11 A Yes, it is. Certainly.

12 ( EMPLOYMENT & TRAINING FOR NORTHERNERS BOOKLET  
13 MARKED AS EXHIBIT NUMBER 37 )

14 MR. GIROUX: That, of course, is just  
15 part of it, but it's --

16 MR. BAYLY: I gather that your trainees  
17 are split not quite down the middle, but approximately down  
18 the middle between married and unmarried people?

19 A I would say that's probably  
20 right. Well, no, I think probably there would be more  
21 married than single.

22 Q Yes. And could you say  
23 whether people who are married or people who are single are  
24 more likely to be successful at sticking at the program?

25 A I don't think so. You  
26 probably have more stability with married people, but on the



1 other hand, there is more -- you also increase the problems  
2 because you are dealing with two people or more in the  
3 family, and very often the wife gets very lonely and restless  
4 and wants to return home.

5 Q Now, is it still true as you  
6 stated it was last year, that loneliness and desire to go  
7 home is one of the chief reasons for leaving the program?

8 A Yes, I believe so.

9 Q So, even with the counselling  
10 which obviously helps, there are some people that just can't  
11 stay down in the South and take this training?

12 A That's correct.

13 Q And looking at the numbers,  
14 they are significant, the proportion of those people who  
15 do apply for and take the initial part of the training?

16 A I beg your pardon? There is  
17 a significant number that leave, you mean, and --

18 Q That leave because of that  
19 reason?

20 A That's correct, yes.

21 Q Now, you said in your evidence  
22 that what you are looking for, particularly in the operations  
23 and maintenance jobs is for people with a career orientation  
24 and, not a total commitment, but a very strong commitment  
25 to going through the training and looking for a lifetime  
26 career. Is that correct?



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1 A That's correct.

2 Q And I gather in order to do  
3 that, you have embarked on a socialization, or re-socialization  
4 program, if we can call it that, that accompanies the orientation

5 A Well, I wouldn't call it that.  
6 But we certainly provide the assistance, I guess, or try  
7 to provide assistance in adapting to a new environment.

8 Q Right. Is the program that  
9 you provide for people in ordinary recruitment for gas  
10 plant operations, does it have any of this re-socialization  
11 in it?

12 A We don't provide recruitment,  
13 you mean for regular southern people?

14 Q Yes.

15 A No, we don't get involved in  
16 that at all, and I would be very surprised if there was this  
17 type of involvement, company involvement.

18 Q You encourage the people to  
19 maintain communications with their families and communities,  
20 and I gather that is so that if a pipeline is built in  
21 their area, they may be induced, because of their family  
22 and community ties to return to their own area?

23 MR. VIRTUE: That's one of the  
24 reasons, yes.

25 Q You do accept though that  
26 there are perhaps adjustments in lifestyle that people have



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1 to make in order to accommodate themselves to kinds of  
2 careers that you are hoping that they will take up on a  
3 permanent basis.

4 A Yes, we recognize that.

5 Q So, it may be that if they  
6 return to their communities, they will have adopted new  
7 lifestyles, even though they are geographically back to  
8 where they once were?

9 A That's possible, Mr. Bayly.

10 Q Yes. The thing that Dr.  
11 Hobart says addresses this problem and I'll ask you to  
12 comment on it. He says in page 20 of his evaluation:

13 "At the same time, they are confronted with  
14 attractive models, subject to explicit expecta-  
15 tions, and are under a sanctioning system, which  
16 in many respects punishes or at the very least,  
17 fails to reward the behavior which is in accord  
18 with the northern lifestyle. It does reward  
19 often promptly and explicitly, the behavior which  
20 is in accord with the southern lifestyle, thus  
21 socialization to the southern way of life would  
22 seem to be inevitable in the long run for those  
23 who stay in the training program."

24 Would you agree that this is one of  
25 the things that your program, either attempts to do, or  
26 does as a consequence of the orientation?



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1 A It does as a consequence of  
2 the orientation to the south.

3 Q Would you say that Dr. Hobart  
4 is putting it a little more strongly than you would have put  
5 it?

6 A Yes, we, our experience says  
7 that a fair degree of re-socialization, if that's the correct  
8 term, has often occurred before we meet these people, because  
9 they have gone to school, so we try to refer people with  
10 grade twelve, or even post-secondary education if we can.  
11 So that re-socialization process that he's talking about  
12 has already taken place in many instances.

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1 Q Now he says again, and this is  
2 of page 125 of his report:

3 "The shock of transition is most severe for a single  
4 man sent to a location where there are no other  
5 trainees. In this situation in which he is  
6 stripped of the supports for the role he has  
7 formerly played, once he surmounts his loneli-  
8 ness and homesickness feelings, the trainee is  
9 in a classically optimum situation for re-  
10 socialization if effective agents of re-sociali-  
11 zation are on hand. We have seen such agents  
12 typically are available in the form of at least  
13 somewhat sympathetically interested work group  
14 members to the extent that he lacks other social  
15 outlets, the trainee involves himself with his  
16 co-workers, both on and off the job, and to the  
17 extent that he does this, he will tend to some  
18 extent to be remade in their image. Their interests  
19 will increasingly become his interests, and their  
20 activities, his activities, their speech, his  
21 speech, their values and concerns, his values and  
22 concerns."

23 Now, apart from the fact that Dr.  
24 Hobart seems to writing that in a rather judgmental way,  
25 in fact would you agree that one of the successes of your  
26 programs is if a person does get involved with his co-workers



1 and finds that he has a lot in common with them, and socializes  
2 as well as works with them?

3 A Yes, I think that's true. I  
4 still think Dr. Hobart overstates the case there in that  
5 paragraph you read.

6 Q But, in any event, what keeps  
7 people in the job for four or five years is more than the  
8 work? He's got to like his fellow workers, on and off the  
9 job, and the community he's in?

10 A Yes, I think that's true.

11 Q And adapt to it, if any adapting  
12 has to be done?

13 A Yes, but he doesn't have to  
14 be completely remade though to do that.

15 Q I understand that.

16 A That's where I disagree, I  
17 think, with Dr. Hobart.

18 Q He may already have their  
19 speech, their extra-cirricular interests?

20 And I gather, Mr. Behn, that one of  
21 your tasks is to help people who are in difficulty, either  
22 because their co-workers are not being perhaps as friendly  
23 and helpful as they might be, or because the people have  
24 developed a homesickness, because they find that they are  
25 having difficulty adapting to a southern community and its  
26 ways. Would that be fair?



20 Q One of the things that is  
21 suggested by Dr. Hobart in his evaluation of the Nortran  
22 Program, is that he recommends that in future the petroleum  
23 industry would do better to concentrate on the smaller  
24 communities, and in that case he was talking about the  
25 Northwest Territories and he said on the Arctic Coast,  
26 rather than from the larger communities. Now I take it that



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1 may be in conflict to what you're trying to do, because you're  
2 trying to get people with higher education qualifications  
3 and you will find them in greater numbers in the larger  
4 communities?

5 MR. VIRTUE: That's correct. We  
6 disagree with Dr. Hobart's recommendation in that instance.

7 Q I have used up about twenty  
8 extra seconds.

9 Those are all the questions that I  
10 have, thank you gentlemen. I hope you catch your plane.

11 MR. GOUDGE: Mr. Horton for the  
12 Government of Yukon.

13 CROSS-EXAMINATION BY MR. HORTON:

14 MR. HORTON: Yes, Mr. Chairman, I have  
15 one question. I direct it primarily to you, Mr. Giroux,  
16 and to you Mr. Behn. Feel free to comment if you like, Mr.  
17 Virtue.

18 I want to tell you there are two  
19 reasons why I am asking it. The first reason is the questioning  
20 that Mr. Joe directed to you, related to the interaction  
21 between development, skilled employment opportunities,  
22 training programs such as Nortran on the one hand, and the  
23 existing and the preservation of the existing native way of  
24 life on the other hand in native communities. The second  
25 reason is that, perhaps you recall Mr. Virtue when you came  
26 in at the beginning of the afternoon, I was seated at your



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1 chair looking at the map. You may be wondering what I  
2 was looking at. I was looking at dots. Green dots and  
3 black dots. One thing that struck me about that, was that  
4 the green dots represent traditional villages that have now  
5 been abandoned, black ones present Indian villages, and  
6 it strikes me. It's curious that many of the green ones  
7 are in river valley areas, whereas the black ones seem to  
8 be predominantly concentrated along the Alaska Highway  
9 corridor itself. The map alone leads me to think something  
10 has gone askew with the traditional way of life.

11 Now on the basis of your own,  
12 particularly yours, Mr. Giroux, and yours Mr. Behn, your  
13 own experience, your own work experience. I'm wondering  
14 if you can express an opinion of both what you feel is the  
15 extent to which the presently existing way of life in these  
16 northern native communities exists simply through lack of  
17 actual opportunity, or through lack of perception of  
18 opportunity or alternatives, such as the Nortran program?



1                                   A           Well, I could maybe start  
2 first and just say that I think it's probably a combination of both,  
3 in my opinion, that it's a lack of opportunity and perhaps a  
4 lack of perception of opportunity. What more can I say? I'm  
5 not a sociologist, I'd rather not get into discussions on  
6 whether or not a pipeline or development is good for Teslin or  
7 not good for Teslin, but I do maintain that someday there may  
8 be development through Teslin and surely people must be pre-  
9 pared for it before it happens. I don't think you can sit back  
10 and say, well, it will go away and that we have enough positions  
11 that everybody, all the natives can become politicians or some-  
12 thing like this. Some people-- that just doesn't provide  
13 enough jobs for everyone and for young people coming out of  
14 the schools, out of the hostels, I certainly don't think that  
15 they're prepared to go to a traditional way of life, the  
16 majority of them.

17                                   Q           What exists, the present  
18 way of life, continues to exist because of the virtues of it  
19 or because of the lack of opportunity or lack of perception of  
20 opportunity.

21                                   A           Most definitely, in my  
22 opinion, the lack of opportunity.

23                                   MR. BEHN:   Well, I looked back over my  
24 life time and I guess I've had a look at both ways of life  
25 and the style of life that I participate in now was dictated  
26 at a fairly early age as to what I was going to do. At five



1 years old I was shipped away to school. I think probably  
2 most of the native people that are fairly close to my age in  
3 the North have experienced that kind of a upbringing, where  
4 they were, you could say, forced to go to school away from  
5 home and very, very rapid dissimilation with the native kind  
6 of way of life, but on the same, talking on the same line,  
7 before I went to school, I experienced a way of life that you  
8 could say was traditional. I haven't participated in that  
9 kind of a lifestyle for ten or fourteen years, but I still  
10 remember what that life was like and often I get melancholy and  
11 think, gee, that would be sure nice to pull that off again, but  
12 I think the way the situation is today, very few of those  
13 people would be able to go back to that way of life, say in  
14 one day or one week or one year. You know, maybe fifty-sixty  
15 years down the road I might be out in the bush trapping again,  
16 I don't know, but, you know, as far as, you know, putting  
17 something in black and white saying this is good or that is  
18 bad, like Art says, I don't think anybody is really in a posi-  
19 tion to do that. I think what the native people have to do  
20 in order not to get into a position any worse than they are in  
21 now, is to say, hey, look it, these guys are here, we'd better  
22 learn what they're up to. The only way we're going to beat  
23 them or say partake on an equal basis is to know what they're  
24 doing. I won't be able to learn what a white guy thinks if  
25 I don't live with them and talk his language and do what he  
26 does. It just doesn't work that way.



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1                   So, in my estimation, if the native  
2 people partake in the society that is here now, certainly  
3 generations down the road, they won't have to go to the transi-  
4 tion that we had to go through.

5                   MR. HORTON: I have no further question or  
6 anything by way of follow-up.

7                   MR. GOUDGE: Mr. Taves, Canadian Arctic Gas.

8 CROSS-EXAMINATION BY MR. TAVES:

9                   MR. TAVES: I also just have one  
10 point. I'd like to direct a question to Mr. Virtue. Mr.  
11 Virtue, if I can refer you to your testimony, firstly, on  
12 page 3, at the bottom, you indicate that Nortran is an indepen-  
13 dent group operating on behalf of its sponsor companies and  
14 then again, over on page 9, in the last paragraph, you indicate  
15 that on behalf of your sponsoring companies, Nortran partici-  
16 pated in discussions with governments regarding the manpower  
17 delivery system. Now, over the last several days, we've  
18 heard several discussions about the manpower delivery system.  
19 I think one representative answer of a discussion about that  
20 would be found on page 440 of Volume III, of the transcript.  
21 I won't bother reading you the question, it has to do with  
22 the policy positions and control Foothills intended to put on  
23 to enforce those policy positions, however, the answer I would  
24 like to read to you, answer, "Mr. Burrell: Well, we have the  
25 general policy position and we would be developing procedures  
26 that would enable these policy positions to be carried out nad



1 one example of it right now is the manpower delivery system  
2 and all that entails, and we're in the process of having dis-  
3 cussions, preliminary discussions, granted, but they will move  
4 forward too, with the government agencies and the unions and  
5 the contractors to develop such a procedure which will not  
6 only satisfy what our policies will be, but also whatever terms  
7 and conditions are placed upon this project by the regulatory  
8 authorities."

9 Now, I'd like to know precisely  
10 who is initiating these discussions for the manpower delivery  
11 system, is it Foothills or is it Nortran?

12 MR. VIRTUE: Well, I'm not sure it's  
13 either, Mr. Taves, my direction is quite clear, in that in  
14 regarding manpower delivery systems, that in the initial dis-  
15 cussions that Nortran will represent all the participants in  
16 these discussions. There have been very few formal discussions  
17 to this point. There have been informal discussions with  
18 perhaps all of the participants. I've talked to one of the  
19 relevant groups, but the formal discussions where everybody  
20 gets together and starts developing the structure and organiza-  
21 tion, there's been very few of these.



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1 Q But your understanding is  
2 or your present instructions are that Nortran will be doing  
3 this on behalf of all of its sponsor companies which  
4 includes Foothills and other companies you listed here as  
5 well?

6 A That is correct, and for  
7 the initial stage as I said, the initial stages that I'm  
8 sure that at some point, the sponsoring companies will want  
9 to become involved because they're the people that have to  
10 live with the structure and organization that we're discussing  
11 with Governments, Unions and Contractors.

12 Q I understand, thank you.  
13 I have no further questions.

14 MR. GOUDGE: I notice that there  
15 are no representatives of any of the other intervenors present  
16 and I take it there are no members of the public who would  
17 like to ask questions of this Panel. I just have one question,  
18 Mr. Virtue, perhaps you can reply to it at your leisure by mail.

19 CROSS-EXAMINATION BY MR. GOUDGE:

20 If you take a count, sir, of all the  
21 existing vacancies in your system, the new training positions  
22 that may be available in the Nortran system, the number of  
23 those that relate to O & M jobs as opposed to gas plant  
24 jobs and your waiting list, how many more Yukoners would you  
25 estimate could in the near future, hope to get into the  
26 Nortran program in a way that would permit them to come back



1 here and work in the O & M phase of this line?

2 MR. VIRTUE: Okay, can we reply  
3 by -- in written reply to that?

4 Q Yes, sir.

5 MR. CHAIRMAN: The Board has  
6 no questions for the Panel. We thank you for your presen-  
7 tation and wish you a speedy trip to the airport. Thank you  
8 very much.

(WITNESSES ASIDE).

9 We stand adjourned until 10:00  
10 o'clock, Mr. Goudge. Do you have something to say about  
11 the order of the proceedings tomorrow?

12 MR. GOUDGE: Yes, I would like,  
13 if I may, to advise as to what we -- with your leave, we'll  
14 be doing tomorrow.

15 I would like to ask sir that  
16 because it is a full day, we commence at 9:00 o'clock if we  
17 can. We have the following matters to deal with. A sub-  
18 mission to begin with by the Yukon Transportation Association  
19 which I hope to have available for distribution this evening.  
20 It may not be available until tomorrow morning, however.  
21 We will as well have a submission by the White Pass and Yukon  
22 Railway. We will then have a submission by the Chamber of  
23 Commerce, then a submission by the City of Whitehorse and  
24 the Yukon Association of Municipalities, a joint submission,  
25 then a short submission by the Yukon Conservation Society  
26 which Mr. Bayly is distributing now and finally in the



1 afternoon, we hope to have at my arrandement, basically, a  
2 presentation of a modest kind by Dr. Navsmith for the  
3 Government of Canada as to the -- his view of the process --  
4 the land claims process in which he is presently engaged  
5 and I have in that connection, an outline of the statement  
6 he proposes to give. The text will be available tomorrow.  
7 The participants will have in hand then, the presentation  
8 that I referred to to be made by the Yukon Conservation  
9 Society, the presentation to be made by the Chamber of  
10 Commerce, the outline of the presentation to be made by  
11 Mr. Naysmith and as soon as I can get it to the participants,  
12 that of the Transportation Association, the City and the  
13 Association of Municipalities and the White Pass and Yukon.  
14 So there are three missing, three in hand and I would hope  
15 sir that we could commence sharp at 9:00.

16 MR. CHAIRMAN: All right, we  
17 will -- Mr. Hudson?

18 MR. HUDSON: Mr. Chairman, just  
19 a reminder of the display at the Masonic  
20 Hall tonight from 7:00 to 9:00, the model and the photographs  
21 will be open to the public.

22 MR. CHAIRMAN: Thank you Mr.  
23 Hudson and we'll adjourn now then until 10:00 in the morning.

24 MR. GOUDGE: Can we make it  
25 9:00 sir?

26 MR. CHAIRMAN: I'm sorry, 9:00,  
tomorrow morning.

(PROCEEDINGS ADJOURNED).













